**Project Title**: Climate Action in line with the Green Agenda in Serbia

**Project Number: 00139323 / 00129089**

**Implementing Partner: UNDP**

**Start Date:** **End Date:** **PAC Meeting date:**

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| **Brief Description** |
| The objective of the project is to contribute to the efficient, inclusive and sustainable implementation of the Green Agenda in Serbia by improving policy and base-conditions for the more efficient implementation of the Green Agenda in Serbia, supporting pilot projects within the five priority areas of the Green Agenda in Serbia and promoting opportunities for future scale-up financing.  The Project aims at building strong partnerships between the public sector, private companies and civil society, to accelerate green transformation. The European Green Deal and the Green Agenda for the Western Balkans offers a blueprint for joint action to tackle the challenges of the green transition. Broad societal participation is necessary to trigger transformative change. In line with this ambition, this project is designed to build broad engagement and participation for the Green Agenda.  The envisaged activities under this project reflect the understanding of the partners in implementation of the Green Agenda in Serbia that bringing about the change, requires a “critical mass” of activities implemented simultaneously in various sectors and at different levels. The project activities are designed to be complement with activities of ongoing initiative: EU for Green Agenda in Serbia: Get Started, Take Action, Scale-up. |

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| Contributing Outcome (UNSDCF, CPD, RPD ):  Serbia adopts and implements climate change and environmentally friendly strategies that increase community resilience, decrease carbon footprint and boost the benefits of national investments  Indicative Output(s) with gender marker[[1]](#footnote-2): GEN 1  Climate change mitigation and adaptation measures designed and implemented, and climate ambition raised |  | **Total resources required:** | $ 4,073,104.44 | |
|  | **Total resources allocated:** |  | |
|  | UNDP TRAC: |  |
|  | **Swiss Development Cooperation:** | $  4,073,104.44 |
|  | Government | $ 958,900 |
|  | In-Kind: |  |
|  | **Unfunded:** |  | |

Agreed by:

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| UNDP |
| Francine Pickup, Resident Representative |
| Date: |

# Development Challenge

Serbia ratified the Paris Agreement in 2017. The Green Agenda for the Western Balkans, envisaged by the European Green Deal, and the connected Economic and Investment Plan for the Western Balkans were adopted in October 2020 followed by the enactment of the Green Agenda Action Plan in October 2021.

Serbia’s Intended National Determined Contributions (INDCs) submitted in June 2015 foreseeing 9.8% GHG emission reduction by 2030 compared to base year (1990) emissions. In addition to this, Serbia was planning to reach 27% of renewable energy in final energy consumption by 2020 compared to the 21% from 2009, and to have 9% of energy saved by 2018 since 2008. However, up until 2021, due to difficult economic circumstances, regulatory deficiencies, as well as political challenges, these targets have not been fully fulfilled.

Serbia has been ranked 1st in Europe and 9th in the world in terms of air pollution, according to the Global Alliance for Health and Pollution (GAHP) report. The main sources of air pollution are heavy industry, thermal power plants and individual heaters. The SO2 emissions from the thermal power plants in Serbia makes them among the highest SO2 polluters in Europe. In 2018 the emissions from PE “Electric Power Industry of Serbia” (EPS) thermal power plants were six times higher than the ceiling set by the National Emission Reduction Plan. Regarding particulate matter, following the data from the Serbian Environmental Protection Agency (SEPA), the major source of PM2.5 and PM10 are boiler rooms under 50MW and individual heating.

In 2021, the air pollution became a daily topic of concern for Serbian citizens. Different environmental civic movements started to grow, demanding action from the government side to protect nature, prevent pollution, and ensure there are no investments harmful for the environment. Up to date key focus of civic movements is on air pollution, while the lack of awareness about climate change and its impact still remains. A 2019 study on public attitudes towards the recognisability and impact of climate change on Serbia from CeSID and RES Foundation on behalf of UNDP covered a sample of 960 adult persons, for the public opinion poll, and 122 professionals. In general, the results show that there is general awareness about climate change, however, the awareness needs to be increased with 55% of respondent saying that they are “partially aware” of climate change. Also, more than 40% respondents replied not being convinced that climate change is occurring in their immediate environment.

In parallel to the growing interest for these topics in the society, the energy transition process, environmental protection and climate change became priorities of the Government. The new Law on Climate Change (which was pending for 2 years) was adopted in 2021. The new Law on Renewable Energy, the update Law on Energy Efficiency and Rational Use of Energy, and Law on Energy and Law on Mining and Geological Explorations were all adopted in 2021 as well. These energy laws provide a framework for the energy transition process, while the climate law sets the legal framework for further action in reducing greenhouse gas emissions and adapting to climate change, which is one of the EU’s five strategic goals (Green Agenda) and the basis of a green and circular economy. However, some gaps in the legal and policy framework remain. The National Energy and Climate Plan which will set the 2030 targets is under development, same as the National Adaptation Plan. Also, the Air Protection Strategy which adoption is late for more than 6 years should be enacted until end 2021. Finally, the Low Carbon Development Strategy and Action Plan has been developed and passed public consultation early 2020, but not enacted yet.

At the same time, the international climate change policy and increasing ambitions towards decarbonisation led by the EU, increase the interest for and need for Serbia to embark on green transition and focus on climate change. The discussions on introducing the Carbon Border Adjustment Mechanism as well as carbon tax and the planned deadline for transposing ETS in 2024 (according to the Green Agenda Action Plan) can have a negative impact on Serbian economy in case the level of carbonization is not decreased. Comparing with the EU countries, while the CO2 emissions per capita are on the level of the EU average, due to the low GDP and high CO2 intensity of the Serbian economy CO2 emissions per USD of GDP are more than five times higher than the EU average[[2]](#footnote-3).

Currently, Serbia is revising the NDCs and developing first National Energy and Climate Plan (NECP). According to the latest draft NDC document, Serbia will increase its GHG emission reduction target to 33,3% by 2030 compared to the 1990 levels. Also, the revised draft document is containing much higher ambition in the domain of climate change adaptation, with a clear set of measures for increased climate resilience in key economic sectors.

The EU Progress Report 2021 indicated that Serbia has achieved some level of preparation in the area of environment and climate change. Recognizing the importance of the adopted Climate Change Law and package of important energy laws, including new laws on renewables and energy efficiency , the Progress report stresses the importance of Serbia to do more to integrate climate action into other sectors and to considerably strengthen its administrative and technical capacity at all levels and further increase investments towards green energy transition.

The level of decentralization in environment is high. Local self-governments are responsible for solid waste and wastewater treatments, preparation and implementation of air quality plans and local air quality plans, as well as for planning of climate change adaptation and decarbonization measures. Also, in line with the new Climate Change Law, LSGs are invited to report on the undertaken decarbonization measures. In the energy sector, local self-governments are responsible for the heat market regulation, as well as for energy efficiency in public municipal infrastructure and introduction of municipal energy management (obligatory for municipalities with more than 20,000 inhabitants). The new Law on RES introduces new obligations for LSGs for promotion of use of RES. However, the capacities in LSGs are very limited and there is only little experience in preparing planning documents for local climate and sustainable energy action in Serbia. Furthermore, LSGs rely on guidance and support from the line ministries, whereby the coordination on vertical level is often insufficient. Finally, with the upcoming enactment of important strategic documents in air quality and climate change, there is a need for alignment and provision of clear guidance to the local level.

At the same time, local self-governments are crucial actors for combatting climate change. According to UN Habitat, cities produce more than 60% of greenhouse gas emissions globally. In Serbia, there are examples of municipalities being engaged on voluntary basis, such as commitment to Covenant of Mayors or European Energy Award, however, such examples are rare and mostly donor driven. More local action is needed for Serbia to achieve its NDC and implement the Green Agenda while benefitting from the available financial support.

The level of investments in environment is low. Out of total public expenditures, only 0.3% of the GDP is for public sector investments for environmental protection. Compared to other countries in Central and Eastern Europe this figure should be at least twice as high[[3]](#footnote-4). However, following greater interest from the citizens and politicians a number of large loans have been signed, including a 500 million EUR loan from the Council of Europe Development Bank (CEB) for wastewater improvements and the 3.2 billion EUR Chinese loan that will include also wastewater and landfills construction. The EU Economic and Investment Plan for the Western Balkans plans to incite some 30 billion EUR investments supporting the Green Agenda. In September 2021, the Ministry of Finance issued green bonds raising 1 billion EUR for green projects. However, most of the financing is focusing on large environmental infrastructure and innovative low carbon solutions whereas adaptation measures lack financial support.

Finally, the division of responsibilities on national level for climate change is divided between three ministries with Ministry of Environmental Protection responsible for climate change, Ministry of Mining and Energy for climate change in the energy sector and Ministry of Agriculture, Forestry and Water Management for climate change in water management and forest policy. Central coordination for climate change policy needs to be further improved to achieve consolidated and synchronized action. This will require strengthening of the capacities of the Ministry of Environment in particular. This is also reflected to local self-governments who remain without clear guidance and understanding about the importance of combatting climate change. Recently re-established National Council on Climate Change, managed by the MoEP, should support overriding this barrier.

With respect to forestation, restoring the forest ecosystems and afforestation is high on Government’s agenda. The Spatial Plan for the Republic of Serbia plans an increase to 41% of forest cover by 2050 (from current 30%). Both the Ministry of Environmental Protection and the Ministry of Agriculture, Forestry and Water Management are putting efforts in reaching this goal, through investing into forestation directly or supporting local self-governments in their forestation efforts. However, the support is insufficient, and the forestation pace is far from the one needed in order to reach the target as planned. On the other hand, the identification of abandoned state-owned land showed high potential for using this land for increasing the areas under forests. UNDP has supported the Directorate for Agricultural Land in identifying abandoned parcels in the past three years. In total, almost 2500 hectares of abandoned agricultural land was identified that can be used either for afforestation (e.g. for the purpose of planting windbreak trees) or for farming, including organic farming.

The baseline scenario is that in the absence of the actions, the main stakeholders, such as central Government agencies, local self-governments, businesses and CSOs will not be capacitated to become agents of green transformation, climate action and contribute to NDC commitment and the Green Agenda. IF innovative green and low-carbon solutions are tested and showcased and trigger replication and investments in municipalities and IF central and local self - government capacities for planning climate action, both mitigation and adaptation, are strengthened, THEN Serbia´s implementation of the Green Agenda and the achievement of the NDC will be accelerated. This is important BECAUSE public and private companies, municipalities are implementing a number of measures that contribute to the improvement of environment, green transformation and decarbonization of the economy and society. Newly adopted legislation on energy efficiency, renewables, climate change, oblidge public, corporate sector and municipalities to report on their undertaken measures. Also, these crucial actors of green transition and decarbonization should be further capacitated to lead by example as pioneers and directly contribute to the Green Agenda implementation and other national targets, such as the NDC. The green transition requires cross sectoral approach and broad societal participation in order to trigger transformative change. In line with this ambition, the Project is designed to build broad engagement and participation for the Green Agenda. The ultimate beneficiaries of the Project are the citizens of Serbia, but also the region and Europe, creating better living conditions within planetary boundaries. The Project is also designed to contribute to support a green and inclusive recovery after the Covid-19 pandemic.

Noteworthy, in December 2021 Serbia opened Cluster 4 in accession negotiations with EU. The Cluster 4: Green Agenda and Sustainable Connectivity, covers four chapters: Chapter 14 – Transport Policy, Chapter 15 - Energy, Chapter 21 - Trans-European Networks and Chapter 27 - Environment and Climate Change.

The proposed activities under this Project reflect the understanding of the partners in implementation of the Green Agenda in Serbia that bringing about the change, requires a “critical mass” of activities implemented simultaneously in various sectors and at different levels. Only in this way a cross-sectoral integrated approach can be implemented leading to a significant contribution to the country’s green transition and accession tasks. Such approach would also significantly support Serbia’s EU accession agenda.

# Strategy

The overall objective of the project is to contribute to the efficient, inclusive and sustainable implementation of the Green Agenda in Serbia. It will directly contribute to the EU funded project “EU for Green Agenda in Serbia: Get started, Take action and Scale up” which will be implemented by the UNDP in partnership with Sweden (Sida) and European Investment Bank (EIB). The project is in line with UNDP Strategic Plan (2022-2025) [[4]](#footnote-5), and with Country Programme Document (CPD) for the period 2021-2025 [[5]](#footnote-6), supporting the achievement of CPD Outputs: *3.1 Climate change mitigation and adaptation measures designed and implemented, and climate ambition raised*; *2.3: Innovation ecosystem, sustainable business and investment improved.*

This project is building upon successful work of UNDP in supporting low carbon innovative ideas in climate action and air quality improvements. Furthermore, the pilot work on afforestation of abandoned public land will be upscaled. Finally, local self-governments will be supported in planning their mitigation and adaptation plans and selected projects from plans supported with technical and financial assistance. Also, the project can follow up SECO work on climate resilience and introduction of European Energy Award in Serbian municipalities.

To address the identified development challenge, the immediate, underlying and root causes and the related causal chains discussed in the previous section, the theory of change (ToC) can be presented by an iterative process including three main elements, as illustrated in figure 1 below.

**FEEDBACK**

*Figure 1: Simplified illustration of the ToC and the areas to be addressed and supported by the project*

The project activities are designed to be complement with activities of ongoing initiative: EU for Green Agenda in Serbia: Get Started, Take Action, Scale-up.

The starting point is the policy framework motivating the project, the globally agreed goals of the Sustainable Development Agenda, and more concretely the Economic and Investment Plan (EIP) and the Green Agenda for Western Balkans, including the Sofia Declaration on the Green Agenda and the Action Plan for the implementation of the Green Agenda in the Western Balkans. Within the five pillars of the Green Agenda the project is focused where 1) there is a prioritised need to deliver concrete results towards the EU accession process in the field of energy and environment (Chapter 15 and 27), 2) a policy momentum based on Government priorities and investments, and where 3) UNDP and project partners have experience and track record in policy support, pilot action support and potential scale-up. Based on this identification of areas within the five pillars of the Green Agenda, a three-step approach to trigger transformative change and deliver development impact has been designed. Ultimately, the deliverables from the three components will clearly feed back towards implementation of Serbian legislation, fulfilment of EU acquis, the Green Agenda and SDGs. The competitive advantage of the model is “closing the loop” - selecting actions based on the priorities, and thereby having the actions delivering and advancing towards their fulfilment. Importantly, although the project document gives attention to all five areas of the Green Agenda, the three first ones are where the project has primary attention. Implementation of all five areas remains possibility within the project. The abovementioned flexibility approach of the project means that, in each stage of the project implementation, the Project Board will discuss and agree upon modifications of planned activities in line with most recent developments concerning the EU accession process, policy and regulatory improvements, progress in environmental infrastructure projects implementation etc. This will make sure that any overlaps are avoided and synergy is ensured for the purpose of cost-effectiveness.

The project will be delivered through activities, grouped under three components. Each group of activities have their rationale, purpose and close inter-connections:

*Component 1: Get-started – Creation of Conditions* will aim to assure implementation is effective and efficient, and with the clear aim of creating conditions for the implementation of pilot projects and future scale-up initiatives, the first step is creation of good enabling conditions for a green transition in line with the EU accession process requirements. This will be achieved through policy support and capacity building, which will heavily rely on the European expertise and examples of good practice. With a clear focus on policy implementation, strengthening of inclusive dialogue and capacity building, piloting actions will be more efficient and effective.

*Component 2: Get-Action – Supporting Change through Pilot Projects will* develop and apply pilot schemes and test concepts that can be ready for scale-up and leverage. The support will be made through competitive solicitation processes in the form of “Challenge Calls” followed by provision of technical/expert assistance, primarily based on the European expertise, and co-financing to support implementation and future scale-up investments. In case of air pollution, this would include for example investments with a clear link to air quality management plans that can concretely reduce emissions and be further scaled-up or used as a model for replication, also regarding strengthening inclusive societal dialogue and good governance. Examples of good practice from European countries will also be promoted while providing technical assistance.

*Component 3: Scale-up – Promoting change and building future* will ensure that successful pilot actions and solutions are developed into larger scale bankable projects, replicable business models and garner public support for the green transition. Activities under this component will follow up on selected pilot actions and tests from Component 2, focusing on: 1. preparing and matching ideas and results with larger investment opportunities; 2. promoting replication of successful business models and 3. actively focussing on strategic communication of the results and advantages of green investments.

The focus of the project is in fact on the piloting of concrete actions under Component 2. Component 1 (on creating enabling policy conditions) and Component 3 (on scale up of bankable pilot projects) both support and catalyse the topics and pilot measures supported through Component 2.

# Results and Partnerships

***Expected Results***

***The overall objective of the project*** is to contribute to the efficient, inclusive and sustainable implementation of the Green Agenda in Serbia.

***Specific objectives of the project*** are:

* To improve policy and base-conditions for the more efficient implementation of the Green Agenda in Serbia.
* To support pilot projects within the five priority areas of the Green Agenda in Serbia and promote opportunities for future scale-up financing.

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| **Project implementation** | |
| The project will use same institutional structures for coordination of Green Agenda implementation in Serbia as the EU funded project “EU for Green Agenda in Serbia”.  This includes, smong others: | |
| Intervention | Description/Justification |
| Inter-sectorial and long-term implementation coordination for the Green Agenda - Advisory Committee and Technical Advisory Body; | Inter-sectorial coordination and long-term implementation of the Green Agenda requires institutional solution, which could include a high-level Government representation, possibly the Prime Minister’s Office, Ministry of Environmental Protection (MEP), Ministry of Mining and Energy (MME), Ministry of Agriculture, Forestry and Water Management (MAFWM), Ministry of European Integration (MEI) and other relevant government bodies. Such a function could be performed by the Advisory Committee, which would coordinate overall Green Agenda activities in Serbia, but would also provide strategic guidance to this Project implementation and its alignment with the Government policies.  At the beginning of implementation of the activity, UNDP will assess if already established structures like Green Agenda Working Group, depending on the mandate of the Group, could serve the purpose of the Advisory Committee to the implementation of the project.  Depending on the already established Government structures, and with the aim to strengthen an inclusive discussion between decision-makers and stakeholders on the Green Agenda, UNDP will also establish a Technical Advisory Body (one or more – for each pillar of the Green Agenda). The Technical Advisory Body could be comprised of representatives of following stakeholders: government institutions, Standing Conference of Towns and Municipalities, chambers, youth organizations, CSOs, academia etc. The Technical Advisory Body will provide situation assessment, guidance and technical recommendations for the development and implementation of the pillar specific roadmaps and Serbia´s priorities on the Green Agenda, including pillar specific advice for implementation of this Project. |
| Strengthening of implementation capacities in the Ministry of Environmental Protection | The project will assess existing capacities of the MEP (for example, such as MEP grants management capacity) and propose the establishment of a new structure, which could be involved into implementation of this Project and in due time overtake implementation management experience. This will increase sustainability of various mechanisms developed during implementation of the Project and also strengthen MEP capacities in implementation of the green agenda. If the Steering Committee recommends establishment of new structures, for example, Green Agenda Implementation Agency, UNDP will develop appropriate legal and procedural aspects, provide training to the staff and support initial operations. UNDP will identify need for such implementation mechanism at the initial stage of the Project implementation in order to ensure its integration and development, in particular, when starting A2 group of activities. |

All project activities are grouped under three components explained below.

##### COMPONENT 1: GET STARTED – CREATION OF FRAMEWORK CONDITIONS

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| **ACTIVITY A0.1: Development of the Green Agenda Strategy for Serbia** | | |
| **Description of activity:**  This strategic intervention will include inclusive development of the national strategic policy document on Green Agenda, with participation of all stakeholders to guide this process. | | |
| Intervention | | Description/Justification |
| Development of the National Environmental Strategy: Green Agenda for Serbia (indicative title) | | To guide overall implementation of green agenda, upon request made by the Ministry of Environment, the project will support development of a strategic document, which will integrate environmental concerns and green agenda objectives reflecting Sofia Declaration and the Action Plan for its implementation. The document will be prepared with the aim of being adopted by the Government as the National Environmental Strategy. During development of the Strategy, UNDP will consider the existing strategic planning documents (both sectoral and directive specific) and those pending adoption. Indicative content of the Strategy includes following chapters:   * Methodology * State of Environment * Environmental policy framework and implementation assessment * Green Agenda objectives * Vision and objectives of the Strategy * Priorities and main measures * Implementation framework * Strategy implementation monitoring * Action Plan   UNDP will, in agreement with the Ministry, further define the table of content with the involvement of the Green Agenda Working Group. This activity will be implemented under the ownership and lead of the Ministry of Environmental Protection and will include a broad stakeholder consultation process. |
| Deliverables: | 1. National Environmental Strategy (i.e. Green Agenda for Serbia), prepared in an inclusive and gender sensitive manner and submitted to the Government for adoption. | |
| **ACTIVITY 1.1: Policy implementation support and capacity building relevant for pilot projects and scale-up** | | |
| **Description of activity:**  The Serbia 2021 EU Progress Report sends a clear message on the need to increase focus on implementation, not at least related to Chapters 15 and 27. Whilst progress was made in alignment with the legislation, the implementation focus remains a fundamental challenge and barrier to greening the society and economy. The project will provide tailored support in sense of upgrading policy/regulatory framework ensuring pre-conditions for pilot projects and scale-up actions. In fact, this Activity, as well as the entire Component 1, is tailored to enable and catalyse the implementation of pilot measures under Component 2.  When implementing this activity, UNDP will additionally assess each specific intervention for compliance with policies and will ensure horizontal coordination among pillars. Pilot interventions which address the issue comprehensively and link with interventions with other pillars will be prioritized.  Through this activity, UNDP and partners in implementation of the Green Agenda in Serbia will engage expertise and experience from European countries, and other countries advancing on the Green Agenda.  Through this policy implemenation support and capacity building activity strong focus will also be given to strengthening inclusive societal dialogue, good governance and the leaving no one behind perspective of the green transition, i.e. when strengthing policy development and in capacity building activities.  Policy support will provide introduction of supportive planning tools and documents, while ensuring alignment with the national level policies. The second policy intervention supporting planning of decarbonisation measures is development of local low carbon development strategies for at least 5 LSGs based on the experience from the UNDP CSUD GEF project.  Throughout the project, policy support for introducing changes relevant for decarbonisation, taking into account best EU practice and assuring alignment between the national and local level will be provided. | | |
| Intervention | | Description/Justification |
| Facilitation of climate action, decarbonisation  and energy efficiency | | Revised Nationally Determined Contribution (NDC), the adoption of the Climate Change Law, and the draft Low-carbon Development Strategy set the framework for identification of specific measures and investments to reduce GHG emissions. This includes compliance with the EU Emission Trading Scheme (ETS), among others. At the same time, the energy efficiency measures and a new boost to renewables are triggered by the decisions of the Energy Community, both in public and private sector (households, public and commercial buildings, etc.). New energy legislation creates a favourable environment and attracts donor and International Financing Institutions’ (IFI) financing for the acceleration of investments in energy efficiency and renewables. UNDP will implement this intervention in synergy with other projects: 1. Swedish supported Industrial Emissions Directive project which, among others, will be identifying ETS operators and develop ETS Directive Specific Implementation Plan; 2. the EU funded “Tratolow – Transition Towards Low Emissions in the Western Balkans and Turkey” project; 3. EU funded projects implemented by the Ministry of Mining and Energy (such as EU financed National Energy and Climate Plan development project or WBIF financed projects), SECO financed project in Serbia Municipal Energy Efficiency and Management Project supporting the introduction of European Energy Award quality management system in four pilot municipalities.  This activity will include support for the implementation of the legal framework in the area of climate change, what UNDP will achieve by:   1. Selection, on a competitive basis, of up to 10 EU ETS operators and up to 10 public and private entities from non-ETS sectors and assisting them in a) identification of best technologies for lowering their carbon intensity, b) preparing proper GHG monitoring plans, GHG emission reports and c) to apply for the GHG Permit. 2. Capacity building of operators on their legal obligations, socio-economic benefits, and prepare for compliance with EU directives. 3. Capacity building of competent state institutions on the quality assurance and control of GHG monitoring plans and reports and issuance of GHG emission permits:  * Based on the legal framework for GHG emissions permitting requirements (legal basis expected to be established March 2022), the activity will support capacity building for MEP and SEPA regarding implementation of the newly established permitting requirements; * In cooperation with Sweden (Sida) IED project, UNDP will develop an IT solution to support an integrated permitting process including GHG emissions permitting, as appropriate.  1. In line with Law on Climate Change, support at least 5 local self-governments in planning and reporting on GHG mitigation measures through local low-carbon development policy documents, with accompanying capacity building actions. 2. Technical assistance (in the form of expertise, primarily from EU member states) to the MEP to align its strategic and legal framework on low carbon development with the EU Climate Law and the rest of relevant EU climate acquis, National Energy and Climate Plan (NECP), in elaborating the “EU-ETS equivalent measures” (e.g. the carbon tax/carbon pricing) to support compliance with the EU-CBAM. 3. Information system developed and tested in at least 5 municipalities and is used for planning low carbon actions 4. Based on the assessment of the situation, providing technical support to the MME in aligning the national energy efficiency (EE) and renewable energy (RE) policy with EU, namely in planning EE and RE targets, monitoring of the implementation of EE and RE planning documents, reporting on the results of implemented measures. 5. Based on sectoral policy interventions, providing technical support for the implementation of Energy Management System, as envisaged by the new EE Law, including for the purpose of supporting the ESCO (Energy Service Companies) models in public sector. 6. Supporting development of feasibility studies or detailed energy audits for selected public buildings. These detailed energy audits represent crucial data for the feasibility of ESCO model. |
| Facilitation of industrial emissions reduction and greening the industries | | Compliance with the Industrial Emission Directive (IED), along with the Emission Trading Scheme Directive (EU ETS), is critical to ensure green transition of public and private companies and industries. Directive Specific Implementation plan (IE DSIP) gives guidance for measures necessary for a complete compliance for a large number of industries in different sectors, such as food, farms, animal waste, paper and energy. Swedish and EU projects provided mapping and fact/base to support the financial ability, as well as the investment needs of the IED industries. The Swedish IED project will continue concentrating on transposition of the directive requirements, while this activity will build on these results and will extend them to GHG permitting. This activity will also rely on IED project regarding the identification of ETS installations as part of ETS DSIP development. The aim of this activity is to support the initiation of GHG permitting process and facilitate the participation of IFIs in the policy dialogue. It will also support further compliance of industries with integrated permit requirements.  UNDP will deliver this activity through:   1. Identification of the remaining gaps and needs in the alignment of national legislation with EU integrated permitting requirements, focusing on IED and ETS requirements interaction (in cooperation with Sweden (Sida) IED project). 2. Support to the establishment of the National Center for BATs (as a permanent structure for the provision of TA) to ensure sustainability of the intervention. 3. Supporting up to 10 IPPC/IED installations (which at the same time are ETS operators) to prepare integrated permit applications (focusing on GHG emissions). Activities to be coordinated with Swedish/Sida IED project. 4. Capacity building of operators and relevant authorities by bringing in expertise and know-how from European states, including experience of BAT technologies. |
| Facilitation of circular economy implementation for resource efficiency and industrial symbiosis | | This intervention will build upon the EU Circular Economy Package, recent developments concerning the strategic and legal framework for the circular economy and related pilot projects, such as: the Circular Economy Roadmap, preparation of the National Circular Economy Programme, implementation of the Swedish and EU funded project “Source Separation in Four Regions (SS4R)”, supporting source separation in 17 municipalities in Serbia, AFD & EBRD project supporting 8 regional centers and other waste related projects. Activities will rely on the achieved results and will target remaining gaps. This will allow the faster establishment of the regulatory framework, but also boost implementation. Where relevant, UNDP will involve the Serbian Chamber of Commerce and Industry and its Circular Economy Hub and Platform to support the transition of the corporate sector and industries. UNDP will specifically target remaining gaps in the strategic and legal framework to increase waste reuse & recycling.  While implementing this activity UNDP will build on results of the UNDP-GEF Circular Economy Project, which, among others, will support (1) development of recommendations for setting up the Market of Secondary Raw Materials in Serbia, (2) setting-up the Registry of by-products, (3) development of Guidelines for promotion of the roles of creative industries in circular/green transition and the use of IoT in shifting towards circular production processes, (4) development of local circular economy roadmaps.   1. Support to the MEP in developing sub-laws in line with the New Waste Management Law by integrating circular economy approach (including specific waste streams like construction/demolition waste, plastics, biodegradable waste and similar). 2. Support capacity building of key actors, through at least 3 workshops, to enable the implementation of the circular economy elements of the new Industrial Policy Strategy of Serbia, in collaboration with the Chamber of Commerce and Industry, also highlighting European experiences and technologies. 3. Support to Circular Economy Working Group activities (as established by MEP).   At the municipal level (potentially prioritizing municipalities which are part of the ongoing regional waste management systems development project, for example, EBRD loan package), UNDP will deliver this activity through:   1. Selection of up to 5 cities/municipalities to assist them in integrating circular economy requirements in local waste management plans in line with the national CE framework (coordinated with planned IPA project), potentially exchanging experiences with European examples and expertise. 2. Selection of the 2 cities/municipalities with wastewater treatment facilities to help them tackle sludge and bio-waste management, contributing to the Serbian Sludge Strategy implementation (also by bringing in experiences of the EU member states/European examples). |
| Facilitation depollution of the environment with strong focus on air quality | | Serbia has been ranked 1st in Europe and 9th in the world in terms of air pollution, according to the Global Alliance for Health and Pollution (GAHP) report. The main sources of air pollution are heavy industry, thermal power plants and individual heaters. The SO2 emissions from the thermal power plants in Serbia makes them among the highest SO2 polluters in Europe. In 2018 the emissions from PE “Electric Power Industry of Serbia” (EPS) thermal power plants were six times higher than the ceiling set by the National Emission Reduction Plan. Regarding particulate matter, following the data from the Serbian Environmental Protection Agency (SEPA), the major source of PM2.5 and PM10 are boiler rooms under 50MW and individual heating.  Air pollution and poor level of air quality is one of urgent issues to be tackled, both on national and local level. While on the national level the Air Quality Strategy is under preparation, supported by an EU IPA technical assistance project, the local level needs support for planning and implementation of measures.  UNDP will deliver this activity through:   1. Development of source appointment studies of air pollution for up to 5 LSGs 2. Selection, on a competitive basis, up to 10 municipalities and assisting them in development or improvement of Air Quality Plans or Short-term Action Plans. While developing or improving the Plans, particular attention will be given to the local self-governments with big emitters, including instruction for the development of Emission reduction plans of operators (how to apply article 39 of the Air Protection Law). 3. Providing recommendations for improvement of the Air Protection regulation by further transposing relevant EU directives, in particular, Ambient Air Directive and the NEC Directive. Recommendations may support the integration of air protection into the following sectors: health, energy, industry, agriculture, forestry and infrastructure. Special focus will be on the incentives for the switch of individual/heating burning units, improvement of standards and mechanisms for shifting to environmentally friendly appliances. 4. Deliver the trainings for at least 50 representatives of LSGs, based on the training module on participatory air quality planning and short-term plan development, developed through the EU for Green agenda in Serbia project. 5. Contribute to the EU-led, inclusive policy dialogue on air pollution, throughout iterative annual conferences, including special attention to leaving no one behind perspective of the Green Transition and its implementation needs in Serbia. |
| Facilitation of protection and investment in biodiversity and ecosystems | | The project will support restauration of forest ecosystems and afforestation (including through private-public collaboration efforts). This activity will build upon UNDP cooperation with Directorate for Agricultural Land on identification of abandoned land in 17 municipalities across Serbia in 2019-2020. In this way, deterioration of land will cease and efforts to increase afforestation level and reach the 2050 target (41.4% compared to current 29.1%) supported.  UNDP will deliver this activity through:   1. Development of up to 5 Forest Landscape Restauration Plans at local level local in a participatory manner, aligned with local DRR plans 2. Identification of unused/abandoned land plots suitable for afforestation are in at least 5 municipalities, and introduced in developed cadastre 3. Development of business model for afforestation 4. Identification of abandoned agricultural land plots (at least 100 – 200 ha) which are suitable for afforestation and support the afforestation process in collaboration with the MAFWM, and forestry management companies. 5. Identification of priority areas for forest landscape restoration, including ecosystem, biodiversity, socio-economic, climate, and cost-benefit analyses & development of three pilot Forest Landscape Restoration plans. 6. Elaboration of at least one protected area management plan in line with Natura 2000 requirements, in a selected protected site, demonstrating integrated cross sectoral implementation approach, including integration of Nature based solutions (NbS). Area to be selected at the start of the Action in cooperation with MEP. |
| Deliverables | | 1. 6 trainings provided to 10 EU ETS operators and 10 public and private entities from non-ETS sectors. 2. 10 MEP and SEPA staff members trained in quality assurance and control and monitoring plans & reports as part of GHG emission permitting, planning and implementation of EU ETS or equivalent measures. 3. 5 local low-carbon development policy documents developed. 4. At least one regulatory act aligning the national EE policy and one aligning national RE policy with EU norms developed or amended. 5. 50 designated public services receive energy management system and training, pre new energy efficiency law (hospitals, services, etc.) 6. 2 regulatory acts aligned with EU integrated permitting related requirements, focusing on IED and ETS requirements interaction (in cooperation with Sweden (Sida) IED project). 7. 10 IPPC/IED operators supported and trained to prepare IPPC permit applications (focusing on GHG emissions). 8. Regulatory act amended/developed (potentially, developing New Waste Management Law or related by-laws) to accommodate requirements of the EU Circular Economy package. 9. 3 workshops for key actors organized to promote implementation of the circular economy elements of new Industrial Policy Strategy of Serbia in collaboration with the Chamber of Commerce and Industry. 10. Up to 5 local waste management plans amended with circular economy requirements. 11. Solutions for sludge and bio-waste management identified for 2 cities/municipalities with functional wastewater treatment facilities. 12. Recommendations for improvements of regulatory acts on air quality prepared. 13. 50 representatives of LSGs trained using the Training module on participatory air quality planning and short-term plan development. 14. Up to 10 local Air Quality Plans and/or Short-term Action Plans developed or improved. 15. 3 annual conferences on inclusive policy dialogue on air pollution held, with particular focus on leaving no one behind perspective of the Green Transition and its implementation needs in Serbia. 16. Abandoned agricultural land plots (100 – 200 ha) suitable for afforestation identified. 17. Up to 5 pilot Forest Landscape Restoration plans for priority areas developed. 18. At least 1 Sustainable Protected Area Management Plan elaborated for demonstration of integrated cross sectoral implementation approach. 19. At least 5 detailed energy audits for selected public buildings identified and supported, as well as ESCO model, prepared. |

##### COMPONENT 2: GET PILOT ACTION – SUPPORTING CHANGE

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| **ACTIVITY 2.1 Preparation of mechanisms for implementation of pilot projects** | |
| **Description of activity:**  Through this activity UNDP will focus on establishment of the mechanisms for implementation of piloting actions to support green transition. Depending on type of the pilot project, two main modalities will be considered – financial support or expert support or both. | |
| Intervention | Description/Justification |
| Developing and agreeing mechanism for implementation of pilot projects: co-financing mechanism | Project will provide financial support on the basis of prior competitive process (Innovation Challenge Calls), to selected initiatives that will demonstrate highest alignment with the project’s objectives, high level of commitment and relevance as regards identified challenges. The selection criteria will be agreed with the partners. Two overall criteria will be: additionality and innovativeness of awarded solutions. Project selection will also be checked against the classification of the EU Taxonomy. UNDP will provide support in the form of co-financing (financial assistance to third parties), where payments would be based on performance. Besides the performance-based payments (PBPs), the project will also introduce guarantee schemes for commercial loans and other borrowings for green investments and projects for public and private entities. This scheme will act as de-risking facility for innovative solutions in the area of decarbonization, circular economy, reducing industrial emissions and air pollution. Co-financing from beneficiaries would be always required.  The UNDP has already successfully tested the ‘’Innovation Challenge Calls’’ methodology, as a tool to source innovative, cost-efficient and low carbon technologies, projects and businesses models. It will serve as a basis for clearance of potential beneficiaries of the grant/co-financing mechanism (including both, performance-based payments and guarantees for commercial loans and other borrowings). While developing the grant/co-financing mechanism, UNDP will take into account practices used for selection of projects by relevant ministries, as appropriate. |
| Developing and agreeing mechanism for implementation of pilot projects: expert support mechanism | Following the Innovation Challenge Calls, UNDP will provide professional technical support (also called “acceleration support”) to initiatives which are aligned with the project criteria. UNDP will primarily target experts with practical European expertise. An example of such support would be provision of experts to LSGs, to assist them with elaboration/prioritization of “no-regret” measures from the local Air Quality Plans/Short-term Action Plans that may be subject of co-financing and implementation; or provision of guided mentorship for companies to help them develop their innovative project/idea into implementable business/investment.  UNDP will apply its methodology for expert support in coordinated approach with partners in implementation of the Green Agenda in Serbia and relevant institutions. |
| Deliverables: | 1. Co-financing mechanism for implementation of pilot projects developed and agreed. 2. Expert support mechanism (“acceleration support”) for implementation of pilot projects developed and agreed. |

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| **ACTIVITY A 2.2 Selection of pilot projects** | |
| **Description of activity:**  UNDP will always apply competitive process for selection of pilot projects, respecting transparency and equal possibilities. UNDP will apply gender equality principle to ensure that initiatives contribute to gender equality and to increase the likelihood of women’s led initiatives to participate in competition.  UNDP will develop and apply mechanisms for selection of pilot projects – **Innovation Challenge Calls** - in close cooperation with the project partners and relevant institutions. The methods of invitation/competition will depend on a typology of actions. Potential approaches will include public open calls for proposals and invitation to shortlisted entities (where principles of creation of short-lists will be clearly presented).  Regardless of the method of invitation, the selection procedure will be based on fair and transparent eligibility and selection criteria defined and presented to potential beneficiaries always in advance. The evaluation process will be carefully registered, justified and presented in the evaluation reports. The selection criteria will include:   * Level of preparedness of candidates – only candidates which have fulfilled necessary pre-conditions in a sense of experiences, capacities and any technical pre-conditions can be accepted, * Commitment – only beneficiaries who have demonstrated a high level of commitment are acceptable. In this respect, the outputs from the A1 will be used as a reference, * Level of co-financing provided by the beneficiaries, * Level of change/impact, and contribution to Chapters 27 and 15, * Innovativeness in approaches and potential connection between public and private sectors, * Additionality to climate and environmental criteria, with underlying social and gender considerations, * Attractiveness for blended finance and/or commercial loans.   For the purpose of selecting the projects and their evaluation against the criteria, UNDP will establish the team of independent experts. The experts will be selected on the basis of their familiarity with the Green Agenda and related EU policy and practice. During the selection process, UNDP will make sure to identify those projects that have the potential to be financed through the EU financing instruments (IPA). UNDP will always consider inclusive approach, in particular for women entrepreneurship, but also in regard of promoting and strengthening of an inclusive dialogue (i.e. between decision-makers and civil society/citizens), as well as supporting less favoured municipalities and also seeking broader European expertise. Similarly, UNDP will make sure that such expertise is provided in the form of guided mentorship to those projects that require further technical assistance to become ready for implementation support (the so called “acceleration process”).  Also, where possible, the calls will target projects and other interventions demonstrating policies integration approach and horizontal (among pillars) coordination approach. In addition, while formulating the challenges, UNDP will make sure that interests of vulnerable and marginalized groups are taken into account. This will contribute to the inclusiveness and the “leaving no one behind” approach.  Upon completion of selection process, UNDP will initiate the acceleration process for the successful candidates. After the acceleration process, only those candidates that demonstrate best progress, results and maturity in terms of the initial criteria will be supported in implementation. The Project Board will make final decision on supporting most successful candidates in implementation, based on prior consultations with independent experts engaged through a competitive process. | |
| Intervention | Description/Justification |
| Establishing mechanism for selection of pilot projects for climate action, decarbonisation | The project builds upon the positive momentum of the adoption of climate and energy legislation that unlocks the opportunities for scaled up investments, both in public (e.g. public buildings, public utility companies - such as for power and heat generation) and private/industrial sector (e.g. energy-intensive industries, but also in biomass/biogas production, transport, agriculture, food production/processing, waste management etc.).  UNDP will deliver this activity through:   1. Launching the **Challenge Call for Decarbonisation** **of the economy**, for the public and private sector and completing the evaluation process. The Call will build upon the work with companies and industries undertaken under group of activities 1.2. It will identify innovative solutions (new business models, new technologies or digital solutions) proposed by companies with the significant potential to reduce GHG emissions, while also producing positive environmental, social and economic benefits for communities and citizens. 2. Launching the **Challenge Call for de-risking Renewable Energy (RE) Investments** will attract reliable and affordable renewable energy solutions from both, public and private sector and completing the evaluation process. The call will be accompanied by an innovative framework to assist institutions, banking sector and investors in Serbia by systematically identifying the barriers and associated risks which can hold back private sector investment in use of RE. |
| Establishing mechanism for selection of pilot projects for industrial emissions and green industries | UNDP will launch **Challenge Call for industries** falling under the IED that have started up the work on permits (intervention under 1.2 group of activities) and complete the evaluation process. It will trigger the investments in cleaner technologies and assist industries to align with EU production standards, hence contributing to competitiveness of Serbian industries. Moreover, the potential investments will contribute to creating new jobs through investments in green technologies (for instance, the 2015-2019 UNDP – GEF funded project showed that between 5-15 new green jobs could be created per 1 MW of installed biomass/biogas capacity). |
| Establishing mechanism for selection of pilot projects for circular economy for resource efficiency and industrial symbiosis | Lack of source separation and waste treatment at municipal level, low waste recycling rates, represent an obstacle for promoting circular economy. This project will unlock solutions of the public and private sector to support improved waste treatment, from waste prevention, separate collection, to reuse and recycling. The project will build upon EU directives (and related DSIPs), Serbia’s Circular Economy Roadmap, as well as upon projects such as: forthcoming EU IPA project, Sweden (Sida) EISP project (Environmental Infrastructure Support Project) providing significant equipment for source separation of waste at the municipal level (25 municipalities) and other waste initiatives.  To tackle the issue, UNDP will launch the **Challenge Call to support transition from linear to circular economy business models** and complete evaluation process. The Call will have two components: (1) Selection & support to implementation of innovative business models, technologies and digital solutions put forward by public companies/municipalities with a focus on resource efficiency through non-hazardous waste reuse and recycling (particular focus will be on biodegradable waste including sludge); (2) selection & support of the SMEs (e.g. HORECA sector), waste operators and industries (e.g. farms and food processing industry) to establish the industrial symbiosis and apply the best available technologies/techniques for optimized resource and energy consumption. This component could also include other waste streams such as: construction/demolition waste, plastics, paper, metal and glass. UNDP will work with the Chamber of Commerce and Industry while supporting circular economy solutions that are based on business-to-business cooperation or industrial symbiosis. |
| Establishing mechanism for selection of pilot projects for depollution of the environment with strong focus on air quality | The project will build upon the fact that some of major agglomerations in Serbia have the air quality of category III - excessively polluted air, as well as on findings of UNDP – SCTM Study claiming that only 33.8% of LSGs confirmed that they have implemented air protection in the past three years. The project will also build upon UNDP’s pilot Clean Air Innovation Challenge for innovative products and technological solutions to improve air quality in Serbia, conducted in 2020. Out of 55 ideas of the public, corporate, civil and R&D sector, 14 innovative proposals have been selected (concerning individual heating/combustion units, air quality monitoring, air purification, reducing the impact of air pollution on children and other equipment), based on their feasibility and expected impact, with the overall value of $1 million USD. UNDP will apply similar approach, in particular by working with LSGs that were selected to the Public Call for the Air Protection Plans (under Get Started component). UNDP will cooperate with LSGs and CSOs in the design and implementation of this activity.  UNDP will deliver this activity through:   * Launching the **Challenge Call on air quality improvement pilots** at community level and finalizing evaluation process. Pilots may include but not be limited to: replacing individual heating/burning units with more efficient ones (coal with pellet), installing heat pumps in schools and other local public institutions, traffic optimization, or other small-scale measures with high impact. The pilots will have several steps: a) Selecting the pilot area, b) on-site measuring of the air quality & setting the baseline parameters, c) Conducting the feasibility study, d) Selecting and designing measures for improvement, e) Implementing and monitoring the measures; * **Selection of priority and “no-regret” measures from the local Air Quality Plans/Short-term Action Plans** to be supported in implementation, such as feasibility assessment of measures for reducing air pollution from public or private sources, measures to replace fuel sources on the local level (prioritizing the cleanest sources, in line with EU taxonomy), measurements. |
| Establishing mechanism for selection of pilot projects for protecting and investing in biodiversity and ecosystems | The project will build upon UNDP’s work on abandoned land management, including the legal issues connected to unutilized agricultural land in both state and private ownership.  UNDP will deliver this activity through:   * Launching the **Challenge Call on Afforestation** for a) private entities to plant forestry cultures for commercial use in abandoned and degraded land plots and for b) LSGs, public companies and CSOs for afforestation of abandoned land plots to restore and maintain forestry ecosystems and ecosystem services and completing the evaluation process * Conducting a **Mini-grant Programme for CSOs for small scale improvements in protected areas** in cooperation with protected area management authorities and completing the evaluation process (to be determined in consultations with the MEP). The programme will be based on needs mapping |
| Selection of pilot projects | UNDP will select pilot projects using the described Mechanism for evaluation and selection of pilot projects while considering priority intervention areas as described under 2.3. For the purpose of evaluating and selecting the projects and their evaluation against the criteria, UNDP will establish the team of experts. The experts will be selected on the basis of their familiarity with the Green Agenda and related European policy and practice. Experts from the EU member states/European countries will have competitive advantage. |
| Deliverables: | 1. Mechanism for selection of pilot projects – the Innovation Challenge Calls launched and evaluation completed:  * The Challenge Call for Decarbonisation of the economy, for the public and private sector; * The Challenge Call for de-risking renewable energy (RE) investments; * The Challenge Call for industries falling under the IED (which started the work on permitting); * The Challenge Call for circular economy, resource efficiency and industrial symbiosis * The Challenge Call on air quality improvement pilots; * The Challenge Call on Afforestation for private entities to plant forestry cultures for commercial use in abandoned and degraded land plots and for LSGs   Mini grant programme for civil society improvements in protected areas launched and evaluation completed; |

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| **ACTIVITY 2.3 Implementation of pilot projects** | |
| **Description of activity:**  The pilot projects will be implemented throughout all five priority areas. Special attention will be given to decarbonisation, circular economy and air quality, although activity includes potential action for all five areas.  After successful acceleration process, UNDP, in close consultations with partners, will allocate co-financing for implementation in the form of the Performance based payment agreements (PBPs) and/or through guarantee schemes for de-risking access to green loans and other borrowings for public and private entities.  The donor financing for investment support will be primarily used in the form of Low-Value Performance-Based Payments, which is a financing modality successfully applied by the support of UNDP already in the earlier CSUD project, as well as in the form of guarantees for de-risking SMEs access to loans and other borrowings for green investment projects and business ideas. Low-Value Performance-based payment is an umbrella term for various schemes that pay a party upon the achievement of results, rather than for efforts to accomplish those results. Otherwise, similar to other grant incentives, the performance-based payments modality can be considered as a form of credit enhancement to increase projects’ economic viability thus making it easier to reach their financial closure. Also, the PBPs may be used for development challenges that are typically “large and proven”, which means the theory of change is well understood, the ‘result’ has already been tested in another setting, and best practices exist that can be replicated at scale. Applying the PBP increases focus on measurable and sustainable development results, validated by the Project Board base on the prior assessment assistance of the independent experts. They also incentivize full achievement or over-achievement of the pre-agreed results, while, similarly, they allow flexibility to reduced payments envisaged for near-misses or partial achievement of results. The PBPs are considered to be drivers of innovation and accountability and the recipient must be financially viable and able to bear upfront costs. Applying PBPs provide greater certainty to donors about the Value for Money for scarce development funds, as well as they reduce donor’s financial and reputational risks. PBPs are convenient for catalysed funding from other development partners attracted by scalable and measurable results. The issuance of PBPs will be subject to the decision of the Project Board and the PB will be in charge of monitoring implementation of the PBPs and approve each payment as per the delivered results. Only upon the receipt of the documentation that confirms fulfilment of the planned results (deliverables) by the PBP beneficiary, the project management team will prepare recommendation to the PB for approving or discarding the payments. Any deviation from original PBP will have to be also verified and approved by the PB. Also, in case the recipient of the PBP fails to deliver agreed results, the PB will decide on cancelation of the PBP.  Apart from PBPs, private sector (SMEs) green investments will be enhanced by de-risking mechanism. As Serbian financial market is quite bank-centric, private sector companies have very limited access to finance options, consequently commercial banks loans are the main and most utilized external financing option. Due to their size, SMEs often lack adequate level of collateral to get a bank loan for their green investments/projects. De-risking mechanism will bridge collateral gap and help SMEs. with feasible green projects, to get a bank loan. Since commercial banks often lack a proper due diligence expertise, when it comes to green projects, mechanism would de-risk green loans, thus help SMEs to access external financing sources for green investments.  The sources and modalities to co-finance the projects may include public grant financing (such as by the budget of the MoEP/future Green Fund, budgets of local self-governments other bi- or multilateral international donor support, private lending, venture capital or, when applicable, crowdfunding. A possibility for piloting green bonds will be explored as well. | |
| Intervention | Description/Justification |
| Implementation of potential pilot projects for climate action, decarbonisation | As a result of Challenge Call, UNDP will provide following support:   1. Technical assistance and guided mentorship for further development of innovative solutions for economy decarbonisation 2. At least 5 innovative low carbon solutions are financially supported through challenges and technically through the work of the Accelerator/ Incubator (upscaling) 3. Seed co-financing for implementation of the solutions for 2 selected ETS operators and 2 entities from non-ETS sectors, achieving the highest reduction of GHG emissions. 4. Piloting at least 3 viable and prospective and affordable renewable energy solutions from both, public and private sectors. |
| Implementation of potential pilot projects for Industrial emissions and green industries | 1. Technical assistance and guided mentorship enabling the preparation of bankable investment projects in clean technologies for at least 10 selected industries. 2. Seed co-financing for the implementation of the identified BATs for at least 1 of the 10 industries. 3. Seed co-financing for the implementation of the identified BATs for at least 2 of the 10 industries. |
| Implementation of potential pilot projects for circular economy for resource efficiency and industrial symbiosis | 1. Technical assistance and guided mentorship to at least 15 public and private entities to develop viable projects with significant potential for increasing waste collection and recycling rates (for communal and non-hazardous wastes). 2. Seed co-financing for the implementation of circular economy-based solutions/projects for public and private entities contributing to better resource efficiency and industrial symbiosis (up to 5, depending on the Call results and required financing). 3. Seed co-financing for the implementation of circular economy-based solutions/projects for public and private entities contributing to better resource efficiency and industrial symbiosis (up to 10, depending on the Call results and required financing). |
| Implementation of potential pilot projects for depollution of the environment with strong focus on air quality | As a result of Fifth Challenge Call, UNDP will provide following support:   * 1. Technical assistance and guided mentorship for further development of the innovative and efficient measures and solutions for reducing the air pollution at municipal level.   2. Seed co-financing for implementation of at least 3 pilot measures that will result in the reduction of air pollution in the pilot area, as well as in reducing the exposure and risks of vulnerable groups to polluting sources.   UNDP will also provide co-financing for at least 3 feasible priority and “no-regret” measures from the local Air Quality Plans/Short-term Action Plans (linked with the activity: 1.2.4). These funds will be blended with LSG’s own financing allocated for the implementation of measures.  UNDP will also provide co-financing for the implementation of up to 2 mature projects from the UNDP’s Clean Air Innovation Challenge[[6]](#footnote-7). The challenge call ideas already vetted by UNDP are available at: <http://cleanairresponse.undp.org.rs/>. |
| Implementation of potential pilot projects for protecting and investing in biodiversity and ecosystems | 1. Development of 2-3 feasibility studies for concrete areas, which will include: environmental, climate and socio-economic impact analysis of the afforestation, identification of forestry cultures to be planted on identified land plots, 2-3 designs for afforestation on identified land plots. 2. Co-financing of pilot afforestation measures at at least 50 ha implemented by National Afforestation Body in cooperation with municipalities and private sector, as identified through Sixth Challenge Call. 3. Financing the implementation of one measure from one out of three forest landscape restoration plans (FLRs) that support local economic development, attract public and private investments and result in biodiversity conservation, climate change adaptation and increasing carbon sinks 4. Financing of at least one nature-based solution pilot measure related to a protected area management plan in line with Natura 2000 requirements (based on prior activities in 1.2) (linked with the activity 1.2.5).   As a result of a Mini-grant Programme for CSOs for small scale improvements in protected areas, UNDP will provide following support:   1. Grant financing for at least 5 CSO proposals based on current needs mapping. 2. Co-financing of pilot afforestation measures at 102 ha implemented by National Afforestation Body in cooperation with municipalities and private sector, as identified through Challenge Call. 3. Financing the implementation of two measures of the two forest landscape restoration plans (FLRs) that support local economic development, attract public and private investments and result in biodiversity conservation, climate change adaptation and increasing carbon sinks |
| Deliverables | 1. At least 10 innovative solutions for lowering carbon intensity of ETS operators (falling under the EU ETS) and at least 10 innovative solutions of entities from non-ETS sectors further elaborated; 2. At least 1 innovative solution from non-ETS sector entity implemented (with seed co-financing); 3. At least 1 innovative solution from ETS operator implemented (with seed co-financing); 4. At least 10 bankable investment projects in clean technologies for selected industries prepared; 5. Identified BATs implemented by at least 1 selected industries (with seed co-financing); 6. At least 15 projects of public and private companies for increasing waste collection and recycling rates further elaborated; 7. Projects of up to 5 public and private entities, for increasing waste collection and recycling rates (for communal and non-hazardous wastes) implemented (with seed co-financing); 8. At least 5 innovative measures from the Challenge call for reduced air pollution at municipal level further elaborated; 9. At least 3 pilot measures for air quality improvements in pilot areas implemented; 10. At least 3 feasible priority and “no-regret” measures from the local Air Quality Plans/Short-term Action Plans implemented (option to blend funds with LSG’s own financing allocated for the implementation of measures); 11. At least 2 of the Clean Air Innovation Challenge call projects, already vetted by UNDP, implemented (where additional financing, provided that the applicants, have secured the majority of financing for their mature projects); 12. Up to 3 feasibility studies developed for afforestation of concrete areas; 13. Pilot measures for afforestation of at least 50 ha implemented in cooperation with municipalities and private sector as identified through Sixth Challenge Call; 14. At least 5 CSO projects for small-scale improvements in protected areas management implemented; 15. 2 measure from 2 out of three forest landscape restoration plans implemented; 16. At least one NbS pilot measure related to a protected area management plan implemented; |

##### COMPONENT 3: SCALE-UP – PROMOTING CHANGE AND BUILDING FUTURE

To secure scale up of activities under the components 1 and 2, the component 3 is designed with a strong focus on supporting and promoting frontrunners, good examples, and leaders of change in the green transition. The Component 3 also has a strong focus on delivering results linked to showing progress towards the EU accession process, Serbian priorities and SDGs.

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| **ACTIVITY 3.1 Promotion, awareness raising and policy dialogue** | |
| **Description of activity:**  The green transition is depending on a broad societal awareness and capacity building as well as gradual behavioural changes. Through this activity UNDP and partners will promote project activities and results, strengthen awareness and policy dialogue on the Green Agenda. This will be achieved through a participatory and inclusive approach reaching out and involving target groups such as polluters, decision makers, CSOs but also the beneficiary citizens. Partners in implementation of the Green Agenda in Serbia will strongly highlight the societal benefits of a green transition, but also the societal challenges connected to it, emphasizing the need for inclusiveness and participatory decision making, also addressing leaving no one behind perspective. Particular attention will be given to the green jobs potential of this Activity. | |
| Intervention | Description/Justification |
| Strengthen public dialogue | Through this activity, EU Delegation, the UNDP and partners, will strengthen public dialogue through thematic settings supporting policy dialogues around EU accession and Green Agenda between, for example, policy makers and businesses, women’s initiatives, CSOs, youth, vulnerable groups and others. It will benefit from the work being done by the Coalition 27. UNDP, in consultations with the partners, will, as an example, empower different actors at the national and particularly the local level – CSOs, citizens’ initiatives, professional organisations, research sector entities – by providing them with the opportunities to actively participate in policy dialogue and monitoring of policy developments in relevant sectors. Public dialogue will ensure participation and representation of gender-related issues, having in mind that women tend to be more responsible consumers than men (e.g. use of energy and resources). |
| Broad public communication | Promotion events and thematic workshops will, for example, target specific groups where multiplication effect can be expected, such as women students and young men and women.  The activity will support the organization of at least 2 promotion workshops on Green Agenda in Serbia for women and for youth.  Additionally, organization of at least 2 workshops targeting leaving no one behind perspective of the Green agenda, with concerned societal representatives. |
| Identification of positive examples through Agents of Change | In synergy with the EU funded project “EU for Green Agenda in Serbia”, the project will aim at raising public attention to the positive examples of businesses, LSGs and organisations that are leading by example as agents of change showing that the private and public sectors in Serbia are indeed interested in the green transition.  The project will support the “Award for EU Green Agenda for Serbia” competition for frontrunners, thus creating strong media communication on action and change and become an advocacy and mobilisation tool for inspiring further action in Serbia. Based on the competition results, UNDP will competitively select up to 10 entities and award them with the Innovation Award (technically prepared and issued by the UNDP), acknowledging particular contribution to awareness or business model fitting into the Green Agenda for the Western Balkans.  In addition, UNDP and partners will promote policy and investment/business examples from the EU and European countries in the different components of the project. Also, partners in implementation of the Green Agenda in Serbia will strongly promote synergies with ongoing international assistance activities. |
| Deliverables: | 1. At least 3 events at local level organized to strengthen public dialogue; 2. At least 2 workshops organized to improve public communication on green agenda among women and youth groups; 3. At least 2 workshops targeting leaving no one behind perspective of the Green agenda, organized; 4. Up to 10 entities selected and awarded as frontrunners of the Green Agenda for Serbia and awareness raised through Agents of Change approach; |

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| **ACTIVITY 3.2 Support provided in development of conditions and technical assistance for future scale-up projects** | |
| **Description of activity:**  The activity will support scaling up of pilot investments for private and non-EIB financing | |
| Intervention | Description/Justification |
| Identification of scalable projects and solutions | The project will identify those pilot projects and solutions that are convenient for scaling-up. UNDP, will identify scalable projects and solutions on the basis of pilot actions, paying special attention to significant replication potential. Besides already planned activities, the Project Board may decide to dedicate additional technical support in order to achieve bankable status.  The UNDP will scan and earmark those projects, selected through competitive processes under Component 2, that are suitable for scale-up and potential financing from EU financing instruments, primarily IPA III. UNDP and partners will closely coordinate this with the Ministry for EU Integration and line ministries in order to ensure such projects are integrated in the formal IPA programming process and related pipelines.  In addition to the partnership with EIB reflected I the project EU for Green Agenda in Serbia, the future scale-up actions could also be prepared for other possible scale up financing, be it from donor, private, public funds or a blend of public and private funds. While the EIB will have primacy over other sources of debt finance for the scale-up actions, initiatives which manifestly do not fall in the defined scope of EIB eligibility criteria or where potential investors have separate own financing, could be considered for support by other financial mechanisms. In such cases, the Action will organise and support concrete meetings of match-making between interested beneficiaries in Serbia and potential financiers, to scale up and multiply/replicate models.  The project will organize annual consultations with the IFIs and commercial banks to discuss financing opportunities for low carbon development (based on policy developments, such as the Climate Change Law and relevant by-laws, NECP, NDC, Low-carbon strategy, Industrial Development Strategy etc.). The activity will also involve commercial banks in development of support for greening of the industrial sector and special sessions with experts from other EU member states.  The identification of scalable projects and solutions will start in parallel to the UNDP run “Accelerator” under the component 2 (Pilot actions). All projects from the Accelerator with scale up potential will be assessed against: 1. the Methodology criteria for further preparation for financing (prepared under the EU for Green Agenda in Serbia project) and 2. the EU IPA financing criteria. |
| Deliverables: | 1. 5 ESCO – model-based studies developed; 2. 1 annual consultation event with IFIs organized; 3. 3 feasibility studies for scaling up of pilot projects developed; 4. 3-5 studies for upscaling local self-government pilot actions developed; |

***Resources Required to Achieve the Expected Results***

UNDP will provide policy guidance and assistance in implementation of all project activities. This would be secured through the involvement of UNDP Country Office and the Regional Hub. Based on extensive global experience of UNDP in supporting projects in the fields of energy, climate change and environmental protection, UNDP will invest efforts to support the Government of Serbia in achieving sustainable, inclusive and resilient human development and the Sustainable Development Goals (SDGs).

The current project will be implemented in synergy with the EU funded project “EU for Green Agenda in Serbia” project, as parallel financing of the contribution agreement, as concluded between the EU and UNDP.

***Partnerships***

The key partnerships of the project include those already outlined in the previous chapter with a brief summary in Table 2 below. A more comprehensive stakeholder engagement plan is presented in the separate Annex to this project document.

*Table 2. Key partnerships of the project*

|  |  |
| --- | --- |
| **Name of the entity** | **Envisaged role in project implementation** |
| Ministry of Environmental Protection  (MoEP) | One of the key project beneficiaries. The project team will ensure involvement of the Ministry in the implementation of project activities, policy consultations and formulating recommendations for their improvements. The role of the Ministry would be to support coordination of the work with other entities engaged as project partners and across the Government counterparts. The MoEP is also responsible for environmental protection, circular economy, industrial emissions, waste management and climate change related issues in general, including related legal and regulatory framework. It is also the Government entity in charge of financing green investments from the Government budget and for supporting investments into environmental infrastructure at the local level. |
| Local Self-Governments | Project partners at the municipal level, including local energy management offices, environmental departments and entities dealing with other municipal services. Support to municipalities on improved air quality by lowering GHG emissions and development of 5 Local Action Plans for Adaptation to Climate Change and 5 Low-Carbon development strategies with Action plans with the aim to introduce climate regulatory changes on the local level. The goal is to assist the municipalities in assessing their community’s vulnerability to climate change and plan adequate adaptation measures. |
| Ministry of Mining and Energy | The project partner and one of the beneficiaries. Ministry of Mining and Energy is key institution in charge for creation of green energy legislation and policies. In 2021 the Republic of Serbia amended Energy Law and adopted new Law on Energy Efficiency and the Rational Use of Energy, new Law on Renewable Energy. With this new legislation, the Government improves the energy market and overall transition towards a sustainable energy sector. Also it enables joint national energy and climate planning, full transposition of EU energy efficiency directive (EED). Besides, the new legal framework introduces the mandatory use of UNDP product – Energy Management Information System (EMIS) as a national software tool for energy management in the public sector. New legislation enables large-scale investments in the construction of solar power plants and wind farms, which will accelerate the decarbonization of Serbia’s energy sector. |
| Ministry of Agriculture, Forestry and Water Management (MAFWM) | The project partner and one of the beneficiaries. Directorate for Agricultural Land within the MAFWM is in charge of identification and performing field verifications of state-owned abandoned land suitable for forestation. In order to fully cover the Serbian territory, the Directorate will be supported to establish cadastre of the state-owned abandoned land plots that can be used together with sustainable business model for afforestation. By the *Spatial Plan of the Republic of Serbia from 2010 to 2020,* it is envisaged that the level of the area under forests is to be increased to 41.4% by 2050. |
| Chamber of Commerce and Industry | Envisaged project partner for engaging and advancing the green agenda within the private sector, including knowledge management, capacity building and training. |
| Standing Conference of Towns and Municipalities | A representative of the Serbian municipalities and a key project partner to support the introduction and implementation of project related activities at the municipal level with the related outreach, networking, co-ordination and training activities through its working committees. Also participating in the legal and regulatory work by reviewing and commenting draft regulations and assisting Local Self Governments (LSGs) to prepare local supporting policy documents of relevance to the project. |
| Swiss Agency for Development and Cooperation  (SDC) | SDC is the main donor in this project. Climate change has been set as one of the prime topics to be addressed in all the priority countries by the Swiss Strategy for International Cooperation 2021-2024. Moreover, future Swiss Cooperation Programme 2022-25 with Serbia plans to have Climate Change and Sustainable Urban Development as one of the three portfolio outcomes.  SDC, through UNDP as implementing partner, would support national and local project stakeholders through 4 components. These components would among other include activities and measures that would contribute to GHG emission reductions, improved air quality and upscaling of the existing Incubator/Accelerator established to support further development and elaboration of innovative climate smart ideas. It would support development of at least 5 local climate change adaptation plans and 5 local Low-Carbon development strategies with Action plans to strengthen local capacities in CC adaptation. NDC would also support creation of a cadastre of the state-owned abandoned land plots as well as sustainable business model used for afforestation in order to reach Serbian forestation goals. |
| United Nations  Development Programme  (UNDP) | UNDP is foreseen as the implementing partner of choice in this area. UNDP has several ongoing projects and calls in this field (e.g. *Clean Air Innovation Challenge call* for innovative solutions to reduce air pollution in Serbia and improve air quality), thus making it also possible that the proposal can be supported faster than if developed from scratch. Most of the ongoing UNDP’s projects are nationally defined projects and some will be even built upon initial ones as in case of identification of state-owned abandoned land suitable for forestation.  In terms of project implementation, Project Manager, Coordinator and Assistant would be chosen from the UNDP staff (UNDP has a pool of experts at their disposal). In addition, experts would be hired for specific components (for assessing proposals in the challenge calls for example) on a short-term basis. |
| Swedish International  Development Cooperation Agency  (SIDA) | Sweden, through its development agency SIDA is one of the leading donors in the field of climate change in Serbia. One of the 3 current challenge calls for the GHG emission reduction in Serbia *Climate Smart Bio-Waste Management Challenge* is supported by SIDA that will, alongside UNDP, be development partner and provide guidance regarding the technical feasibility of the project. |
| Delegation of the EU in Serbia | The EU is providing Economic and Investment Plan for the countries of the Western Balkans to support ambitious Green Agenda for the Western Balkans, including Serbia. This programme will secure additional financing for green transition of public and private sector and industries. One of the core elements of this initiative is to decarbonize the economies of the West Balkan countries. To achieve this, circular economy has been recognized as one of the priority areas for intervention. The project will seek synergy with the EU funded initiative on Green Agenda, in particular in identification, acceleration and co-financing of concrete decarbonization solutions based on principles of circularity. |
| European Investment Bank (EIB) | EIB is seen as partner for scale-up component of the project |
| SECO | The ongoing activities of SECO for supporting sustainable energy and disaster risk reduction provide an opportunity for achieving synergies. The Municipal Energy Efficiency and Management Project is supporting the introduction of European Energy Award quality management system in Serbia and pilot municipalities are suitable candidates to engage further in climate action and apply the ideas originating from EEA for challenge calls. |
| Local universities and other research and educational entities | Scientific research, further elaboration and implementation support to climate change adaption, air improvements and GHG emission reduction, land management and forestation advance in Serbia. |
| Private sector | The private sector (including companies and industries) is recognized as one of the key beneficiaries of the project with significant potential for leveraged financing for green investment projects. The private sector understands the economic benefits of green transformation. The results of recent research on Covid19 recovery of the economy in Serbia, conducted by UNDP and EU, indicate significant interest of corporate sector to invest in green transition, in particular decarbonization. |

In addition to the partnerships listed above, public companies and private sector entities, including small and medium sized enterprises, are absolutely critical for the project as initiators, implementors and financiers of new business ideas. Therefore, both, the public companies (such as public utility companies dealing with waste, wastewaters and energy management) and the private sector needs to be actively engaged and consulted both for the development of an enabling policy framework, as well as beneficiaries of challenge calls.

***Risks and Assumptions***

The project risks are discussed in greater detail in Annex 3 to this project document. As per the standard UNDP requirements, the Project Manager will monitor risks quarterly and report on the status of the risks to the UNDP Country Office. The UNDP Country Office will record progress in the UNDP ATLAS risk log. Risks will be reported as critical when the impact and probability are high (i.e. when impact is rated as 5, and when impact is rated as 4 and probability is rated at 3 or higher). Management responses to critical risks will also be reported to the donor.

Risk analysis and mitigation measures

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Risk** | **Description** | **Probability of occurrence** | **Impact** | **Mitigation measures** |
| Changes in institutional and legislative environment after the kick-off of the project | Implementation of laws and regulations translating EU acquis in practice in Serbia through adoption of appropriate by-laws and training administration for its implementation | Low | Medium | * The prime intention is to respond efficiently to needs and challenges at the national and local level. For this reason the initial plans will remain flexible and will be subject to changes if required. * The project will maintain regular and strong communication with all concerned entities in the sector. They will aim at identifying necessary new requirements or preferences in good-time to introduce necessary changes. * Advisory support to national and local regulators, support to the creation of appropriate by-laws. |
| Limited interest by local authorities or civil servants at the local level to participate | Local authorities and civil servants at the local level display limited interest in issues of Green Agenda;  Civil servants are afraid that these issues would increase their work burden | Medium | Medium | * Intensive preparatory work with LSGs implemented during the gap-analysis – initial/inception project’s phase * Presentation of legal obligations to LSGs * Presentation of perspective of citizens and importance of sustainable environmental planning * Provision of advisory support and building of capacities for more efficient work in matters related to Green Agenda |
| Limited interest for participation of private sector | Private sector face legal, regulatory and financial, barriers to participate in financing schemes | Medium | Medium | * Strong promotion and capacity building campaign, to introduce benefits of greening business; * Provision of technical support to companies in introduction of green technologies; * Financial incentives to companies and perspective of future financial support; * Advisory support to national and local regulators; |
| Political changes at the local and national level |  | Medium | Medium | * The themes tackled in the project are considered high-priority issues for both the national and local level. As such, they would be supported by any national/local government regardless of political orientation. * UNDP will maintain regular contacts and coordination with authorities at both levels. In case of changes, they will approach the new structures with transparent and independent presentation of project activities, broader significance and impact. |

***Stakeholder engagement and south-south cooperation***

The stakeholder engagement plan is presented as a separate Annex to this project document.

As regards global outreach and “south-south” co-operation, project will explore opportunities for meaningful participation in specific global and regional events where UNDP could support engagement with the global development discourse on climate action on local level.

In addition to the local self-governments, being the main beneficiaries of the project, the public companies and private sector will have a key role in implementing the project as project developers and participants to the challenge calls as well as actual investors and project co-financiers. Performance based payments (PBPs), as innovative tool for private sector engagement, is still UNDP’s internal procedure and can only supplement the existing complicated Government procedures for engagement of private companies. Also, besides PBPs, the project will pilot guarantee schemes to de-risk SMEs access to loans with commercial banks and other borrowings, in particular for innovative projects and business ideas. However, in order to ensure continuity and efficiency of partnerships with the private sector, more sustainable mechanisms will need to be elaborated during the time span of the project for blending of funds and de-risking investments. The project will benefit here from the experience collected from other challenge calls and similar bank guarantee facilities operated by UNDP.

***Gender equality and Women’s Empowerment***

Project activities will be designed in such a manner that gender specific issues can be taken into account in the policy and regulatory amendments, when applicable. The gender specific dimensions of the project can also show up when counting the number of participants benefitting from the related training. Therefore, the project will facilitate and closely monitor that equal training opportunities are provided for both men and women. As an example, the project can arrange childcare services during the training sessions, when and as needed. Awareness raising activities will involve participation and cooperation of women associations and women NGOs to support mainstreaming of gender considerations in climate change actions on local level.

All contractors shall be requested to provide non-discriminate participation of men and women during the implementation phase of respective tasks. Female innovators, entrepreneurs and experts will be specifically encouraged to participate in the project implementation. The project will ensure that the challenges are to be designed and implemented with a gender sensitive approach though defining gender sensitive criteria, ensuring gender balance within the project selection committees and providing gender expertise to the projects that will be selected.

In order to ensure sustainability and replicability of gender-related interventions, the project will involve national institutions addressing women’s issues in all related activities, such as the Coordinating Body for Gender Equality of the Government of Serbia (www.gendernet.rs), the Ministry of Labour, Employment and Social Policy, the Ministry of Interior, the Network of Women Members of Parliament, the Provincial Secretariat for Gender Equality, local-level bodies for gender equality and women’s NGOs. The project will also establish formal cooperation with the Statistical Office of the Republic of Serbia so that project results can feed in the statistical data related to women and men in the Republic of Serbia, which provides an overview of gender-disaggregated data. This will contribute to the implementation of the national strategy on gender equality containing a specific objective on gender-sensitive statistics and records.

***Digital Solutions****[[7]](#footnote-8)*

In the scope of Component 2, special focus will be on supporting innovation. Based on UNDP experience with challenge calls, the vibrant IT sector in Serbia is very interested in proposing novel digital solutions in response to challenges. In this context and following the approach to foster open data, various web-based software products for data monitoring or collection have been prepared already. The project will benefit from this experience and will aim at promoting development and deployment of innovative digital solutions and tools.

***Knowledge Management***

The project will incite sharing of experience with other relevant UNDP activities. The planning documents supported will be published to increase knowledge and awareness and support replication.

The project will aim at raising public attention to the positive examples of LSGs, preferably those having strong partnerships with businesses and organisations working at local level, that are leading by example as agents of change showing that the public and private sectors in Serbia are indeed interested in the green transition.

The project will support sctivity “Award for EU Green Agenda for Serbia” established through the complementary “EU for Green Agenda in Serbia” project. This is a competition for frontrunners that will create strong media communication on action and change and become an advocacy and mobilisation tool for inspiring further action in Serbia. Based on the competition results, UNDP will competitively select up to 10 entities and award them with the Innovation Award (technically prepared and issued by the UNDP), acknowledging particular contribution to awareness or business model fitting into the Green Agenda for the Western Balkans.

In addition, the Project will further support implementation of the training module on local air quality planning, developed though the EU for Green Agenda in Serbia project. The training module will be posted online and available to the local self-governments.

**Benefits (socio-economic benefits) and achieving global environment benefits**

The project will support improving health and overall quality of life through reduced pollution and increased resilience to climate change. Four intertwined components contribute to four out of five pillar of the EU Green Agenda for Western Balkans, vehicle for alignment of Western Balkans with the EU ambitions regarding the Paris Agreement.

In addition, the project activities will contribute directly to mobilizing additional funding from both, public and private sectors, as well as commercial borrowing, needed to attain the global climate mitigation targets embedded into the NDCs. Serbia’s draft revised NDC document proposes an increase of the economy-wide climate ambition from 9,8% (as expressed by Serbia’s INDC) to 33,3% of GHG emission reduction by 2030 compared to the 1990 levels. Such a significant increase will require the mobilization of additional funding for new technologies and low-carbon business models in all sectors of the economy. In this way, Serbia will be able to actively contribute to the achievement of the Paris Agreement targets, while at the same time boosting the national economy.

The project will also assist Serbia in contributing to SDGs with related socio-economic benefits such as goal 13 on Climate Action, goal 7 by increasing the energy efficiency rates and use of RES; goal 9 by increasing the access of small-scale industrial and other enterprises to financial services, including affordable credit, and their integration into value chains and markets; goal 15 to halt and reverse land degradation and halt biodiversity loss and goal 12 by making cities more sustainable and resilient.

***Communication and Outreach***

A Communication Plan will be developed, complementary to the Communication and Visibility Plan prepared for the EU for Green Agenda in Serbia project. At the beginning of the inception phase, UNDP shall propose, in consultation with the MoEP and EU Delegation, the visual identity of the Project, which shall, be agreed and used in all communication materials used for the EU for Green Agenda in Serbia project.

The main messages communicated throughout the implementation will be:

* Significance of undertaking immediate actions to implement the Green Agenda in Serbia;
* Significance of the positive leading role of the Government institutions in leading the green agenda implementation in order to improve quality of life for Serbian citizens, unlocking and creating conditions for economic growth at the same time supporting environmental improvements;
* Significance of green agenda implementation for making laws working for benefit of people and the economy;
* Significance of all actors involved, but very much cooperation with private sector, to achieve the change;
* Significance of EU funding and support in achieving green transition.

UNDP will implement the visibility and communication activities horizontally through all the activities. Messages in this segment will promote the green agenda, governmental efforts, EU and other donors support.

***Sustainability and Scaling Up***

The project is designed with a strong focus on building continuation from previous project and developing synergies with EC initiatives and programming. The project will also generate basis for future activities related to Green Agenda implementation in Serbia.

Institutional sustainability

The project focuses on improvement of the situation of target groups through increasing capacities of administration and other actors to improve performance in implementation thus transferring policy into practice. This was also one of the key remarks in the EU2020 Progress Report for Serbia. The project will not only contribute to the increased capacity of target groups but also work on functional networking of leading businesses, municipalities and organisations being an agent of change for the green transition. Importantly, the project´s contribution to building capacities of the MoEP and other competent institutions and local administration ultimately aim at accelerating the compliance with the EU Acquis and strategic framework, as well as for the implementation of targets set by the EU directives and specific directive plans, national policies in areas of relevance to the Green Agenda.

Financial sustainability

The project’s focus on pilot and scale-up has a strong contribution to the financial sustainability. The implementation of pilot projects will represent a concrete example of smaller scale interventions, giving an opportunity to participating entities and individuals to learn on concrete examples. Specific attention in pilot projects will be given to systematic project management and monitoring/measurement of performance. This intervention will improve efficiency of future public/donor’s financing, providing better value for invested funds. The Component 3 will deal with identification and support to concrete larger initiatives to be financed and implemented in the post-project period. The project will build the absorption capacities of the public and private sector for the investment opportunities arising out of the EU Economic and Investment Plan for the Western Balkans. It will trigger development of the pipeline of investment proposals that will fit with the Green Agenda priority areas. The financing initiated within the project will be presumably active in the post-project period.

Policy level sustainability

The project has a strong focus on policy level sustainability, designing activities based on policy needs, and closely following up how actions deliver back towards these objectives and targets, not at least the EU accession process. Component 1 support to enabling conditions will result in a more efficient application of the Green Agenda, thus having impact on implementing provisions in the future. Eventually, policy interventions of the project will enable smoother compliance not only for the public but also for the companies and industrial sector. The project will also trigger policy improvements that favour green industries, smart specialization and reskilling, digital transformation and innovation, green jobs creation (including the just transition). The project will aim at establishing a mechanism to monitor that activities contribute towards the achievement of EU Accession needs for Chapter 27, Serbian priorities, Green Agenda implementation and SGD targets.

Environmental sustainability

The entire project is built around environmental issues and promotion of sustainable environmental practices is ensured throughout the implementation. The project will improve environmental policies and trigger and upscale investments into clean technologies and green/circular businesses that have long-term positive impact on the preservation of environment, reducing harmful emissions into air, soil and waters and preservation of natural resources, ecosystems and their services.

Sustainability will be also created through main principles under which the project will be implemented. These include creation of conditions for gender equality and providing equal opportunities, enhancing public-private partnership and developing conditions for diversified financing, bringing innovative solutions into practice.

# Project Management

***Cost Efficiency and Effectiveness***

The project will be implemented by UNDP in close cooperation with the Sweden (Sida), and EIB, as partners in the implementation of the EU for Green Agenda in Serbia. The involvement of the three agencies which all have a long standing experience in working in the topics relevant for the green agenda ensures synergies and joint operations to ensure high-cost effectiveness. UNDP, Sweden and EIB have a broad track record of previous actions. UNDP has, in all five areas of the Green Agenda, a number of projects where both results and lessons learned feed into the design of the Action document. It also relies on the extensive co-operation network including i.e. business associations as necessary for implementation of this project. Sweden (Sida) broad track record of financing Chapter 27 support projects in Serbia through cooperation with the Government, municipalities, CSOs and academia is taken on board in almost all areas of the Green Agenda. EIB has a track record of financing in decarbonization, circular economy as well as green infrastructural investments of key relevance for ensuring continuation of the previous actions into further green financing opportunities.

UNDP will ensure the overall coordination at the level of the entire project. The UNDP will appoint the Project Manager who will be supported by a team of two project coordinators and two assistants, in line with the project document. UNDP will also appoint an oversight team for programme, financial, procurement oversight, as well as one communication officer.

Sweden, through the Swedish Development Agency (Sida) will contribute as a Member State institution with its extensive support portfolio to policy alignment relevant for the Green Agenda in Serbia, as well as use its role as the lead donor to enhance coordination, synergies and further leverage between its portfolio and actions supporting the Green Agenda in Serbia.

EIB will take the role of an international financial institution that screens project proposals for financing, in line with its own eligibility and financing criteria. EIB will also coordinate the advisory support related to potential intermediated lending through local financial institutions, as part of the scale-up component of the project.

In addition, the action will take into account the current and planned IPA pipeline within energy and environment, and also agriculture, exploring synergies and building on complementarity of actions. Also, in case partners of the EU for Green Agenda: Get Started, Take Action, Scale-up and EU Delegation identify some of the projects sourced through the competitive processes as conveninient for EU IPA financing, such projects will be considered further through regular IPA programming process.

The grant financing provided by the project funds will be allocated following the best value for money and performance based payments, based on UNDP experience with challenge calls and as further developed and coordinated at the start of the project.

***Project Management***

At the beginning of project implementation, in the project inception phase, the management structure will be established. UNDP will act as the entrusted entity with the full administrative and financial responsibility for the project and will hire a Project Manager who will manage the project in close consultations with the partners and donors.

UNDP will be responsible for the provision of substantive and operational inputs for efficient and effective implementation of the project activities.

The operational base of this Project will be UNDP office in Belgrade, Republic of Serbia. The Project will be using existing office space provided for UNDP projects within the Ministry of Environmental Protection.

In addition, many project activities will be implemented in beneficiary local self-governments. Therefore, monitoring activities which will be performed by UNDP staff and mentorship/coaching team will require occasional visits to the places outside of the place of operational base.

The UNDP will establish the Project Board for this particular project in order to ensure ownership, facilitate decision making process and achievement of set objectives. The PB will decide based on consensus.

The PB will take strategic decisions and supervise the proper implementation of the project, will decide on adjustments to the planned activities as appropriate and in line with the flexible approach of the project. PB shall meet quarterly unless further ad hoc meetings are necessary.

UNDP will provide administrative and technical support to the PB, including organising meetings and drafting/circulation of agendas (2 weeks before meetings), documentation for consideration (1 week before meetings) and taking minutes (1 week after meetings). Implementation/non-implementation of PB decisions shall be noted in the subsequent report.

Also, under the project “EU for Green Agenda in Serbia” in close coordination with the EU Delegation, UNDP will establish a Project Steering Committee (PSC) to ensure the national ownership and achievement of project objectives through the strategic level steering and informed decision-making process. The PSC will consist of high-level representatives of: EU Delegation, Ministry of Environmental Protection, Ministry of Mining and Energy, Ministry of Agriculture, Forestry and Water Management, Ministry of Economy, Ministry of European Integration, UNDP, Sweden and EIB as contracted for project implementation. The Ministry of Environmental Protection and the EU Delegation to Serbia will co-chair the PSC. **In order to ensure synergies of actions between this project and EU-funded project: EU for Green Agenda in Serbia, the Swiss Agency for Development and Cooperation (SDC) will appoint a member of Project Steering Committee (PSC).** The PSC will take strategic decisions and supervise the proper implementation of the project, will decide on adjustments to the planned activities as appropriate and in line with the flexible approach of the project. Steering Committee Members shall meet quarterly unless further ad hoc meetings are necessary.

The list of Steering Committee members is “non-exhaustive”. It may include also a number of IFIs or donors or other additional supportive structure for consultation and coordination with international assistance might be sought for.

Arrangements

The Project shall be subject exclusively to the internal and external auditing procedure provided for in the financial regulation, rules, policies and procedures of UNDP. Should the Audit Report of the Committee of Auditors of UNDP to its governing body contain observation relevant to the contributions, such information shall be available to the Donor.

Collaborative arrangements with related projects

The Project will closely liaise and collaborate with the partners mentioned above under Partnerships, with the aim to create synergies among the project interventions. All projects are implementing complementary activities that are jointly contributing to climate action. Also, some partners and beneficiaries are the same for all the above-mentioned projects.

# Results Framework[[8]](#footnote-9)

| **Intended Outcome as stated in the UNSDCF/Country [or Regional] Programme Results and Resource Framework:** Serbia adopts and implements climate change and environmentally friendly strategies that increase community resilience, decrease carbon footprint and boost the benefits of national investment |
| --- |
| **Outcome indicators as stated in the Country Programme [or Regional] Results and Resources Framework, including baseline and targets:** Climate change mitigation and adaptation measures designed and implemented, and climate ambition raise |
| **Applicable Output(s) from the UNDP Strategic Plan:** |
| **Project title and Atlas Project Number: Climate Action in line with the Green Agenda** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| EXPECTED OUTPUTS | Output Indicators | Data Source | Value | Year | Target  (year 1) | Target  (year 2) | Target  (year 3) | taget (year 4) | Total Target1 | **DATA COLLECTION METHODS & RISKS** Assumptions |
| Impact (Overall objective)  To contribute to efficient, inclusive and sustainable implementation of the Green Agenda in Serbia | National strategies consistent with the Green Agenda; investment environment enabled with secured financing and successfully piloted replicable projects.  ‘Good progress’ mark awarded in EU progress report for Serbia in chapter 5 due to progress in mainstreaming Green Public Procurement, chapter 15 due to progress in renewable energy investment and investments into energy efficiency and 27 due to progress in national environmental and climate policies update and implementation.  Increased Government’s absorption capacities for accompanying Economic and Investment Plan | EU Progress report  Government and Ministry’s annual reports  Energy Community reports  NPAA assessment report  MIFP and DSIPs implementation assessment (Ch27) | ‘’Limited progress’’ reported for Chapter 15 for 2020  ‘’Limited progress’’ reported for Chapter 27 for 2020 | (2021) | ‘’Good progress’’ reported for Chapter 15 for year 1  ‘’Good progress’’ reported for chapter 27 for year 1 | ‘’Good progress’’ reported for Chapter 15 for year 2  ‘’Good progress’’ reported for chapter 27 for year 2 | ‘’Good progress’’ reported for Chapter 15 for year 1/year 2  ‘’Good progress’’ reported for chapter 27 for year 1/year 2 | ’Good progress’’ reported for Chapter 15 for year 3  ‘’Good progress’’ reported for chapter 27 for year 3 | ‘’Good progress’’ reported for Chapter 15 for year 3  ‘’Good progress’’ reported for chapter 27 for year 3 | Collection method:  Review/analysis of relevant reports |
| SO1  To improve framework and base-conditions for more efficient implementation of Green Agenda in Serbia | Number of institutions, public and private sector entities better prepared for implementation of Green Agenda priority areas | Action implementation progress reports  Reports of beneficiary entities | 0 |  | 10 | 10 | 10 | 20 | 50 | Collection method: Review/analysis of relevant reports  Insufficient interest for participation by potential beneficiaries |
| Number of individuals with increased competencies for implementation of Green Agenda priority areas |  | 0 |  | 100 (50% women) | 100 (50% women) | 150 (50% women) | 150 (50% women) | 500 (50% women) | Collection method: Review/analysis of relevant reports |
| SO2  To support pilot projects within the five priority areas of the Green Agenda in Serbia and promote opportunities for future scale-up financing | Number of supported pilot project interventions |  | 0 |  | 15 | 15 | 10 | 10 | 50 | Collection method:Review/analysis of relevant reports |
| Number of direct beneficiaries with the improved socio-economic situation due to pilot projects |  | 0 |  | 1 000 (50%women) | 1 500 (50%women) | 1 500 (50% women) | 1 000 (50% women) | 5000 (50% women) | Collection method:  Review/analysis of relevant reports |
| Potential positive scale-up effect indirect beneficiaries) due to scale-up actions |  | 0 |  | 20 000 (50% women) | 30 000 (50% women) | 50 000 (50% women) | 50 000 (50% women) | 150 000 (50% women |  |
| Component 1: GET STARTED – Creation of Framework Conditions | | | | | | | | | | |
| National Environmental Strategy: Green Agenda for Serbia developed | Number of developed strategies | Action implementation progress reports  Report of the MoEP | 0 |  | 0 | 1 | 0 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| EU ETS operators and public and private entities from non-ETS sectors assisted in identification of best technologies for lowering their carbon intensity, GHG monitoring plans and GHG emission reports preparation and in application for the GHG permit | Number of operators supported | Action implementation progress reports  Reports of the Ministry of Environmental Protection and Serbia Environmental Protection Agency | 0 |  | 10 | 10 | 0 | 0 | 20 | Collection method: Review/analysis of relevant reports |
| MEP and SEPA staff members trained in quality assurance and control and monitoring plans & reports as part of GHG emission permitting | Number of staff trained | Action implementation progress reports  Reports of the Ministry of Environmental Protection and Serbia Environmental Protection Agency | 0 |  | 0 | 0 | 10 | 0 | 10 | Collection method: Review/analysis of relevant reports |
| low-carbon development strategies for local self-governments developed | Number of local low-carbon development strategies | Action implementation progress reports  Reports of the concerned local self-governments | 0 |  | 0 | 3 | 2 | 0 | 5 | Collection method: Review/analysis of relevant reports |
| MEP staff trained in planning and implementation of EU ETS or equivalent measures | number of tranined staff | Action implementation progress reports  Report of the Ministry of Environmental Protection | 0 |  | 3 | 2 | 0 | 0 | 5 | Collection method: Review/analysis of relevant reports |
| Regulatory acts aligning the national EE policy and national RE policy with EU norms developed or amended | number of regulatory acts amended | Action implementation progress reports  Report of the Ministry of Mining and Energy | 0 |  | 0 | 1 | 1 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Rules and procedures developed to support operation of the future EE Directorate | rules and procedures developed | Action implementation progress reports  Report of the Ministry of Mining and Energy  Report of the Energy Efficiency Directorate | 0 |  | 0 | 1 | 1 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Designated public services receive energy management system and training, pre new energy efficiency law (hospitals, services…) | number of public services with received energy management system | Action implementation progress reports  Report of the Ministry of Mining and Energy  Energy Management Information System | 0 |  | 0 | 0 | 50 | 0 | 50 | Collection method: Review/analysis of relevant reports |
| Detailed energy audits for selected public buildings identified and supported and ESCO model developed | Number of detailed energy audits developed | Action implementation progress reports  Report of the MoME | 0 |  | 0 | 0 | 0 | 20 | 20 | Collection method: Review/analysis of relevant reports |
| Regulatory acts amended with EU integrated permitting related requirements, focusing on IED and ETS requirements interaction | Number of amended regulatory acts | Action implementation progress reports  Report of the Ministry of Environmental Protection | 0 |  | 1 | 1 | 2 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Guidance document developed for greening of the public and private companies and industries falling under EU ETS and/or IED | Guidance document developed | Action implementation progress reports  Report of the Ministry of Environmental Protection | 0 |  | 0 | 1 | 1 | 1 | 2 | Collection method: Review/analysis of relevant reports |
| IPPC/IED operators supported and trained to prepare IPPC permit applications (focusing on GHG emissions). | Number of operators supported and trained | Action implementation progress reports  Report of the Ministry of Environmental Protection  Reports (incl. draft permits) of the concerned IPPC/IED installations | 0 |  | 5 | 5 | 10 | 0 | 10 | Collection method: Review/analysis of relevant reports |
| Regulatory act amended/developed (potentially, developing New Waste Management Law) to accommodate requirements of the EU Circular Economy package | Number of amended regulatory acts | Action implementation progress reports  Report of the Ministry of Environmental Protection | 0 |  | 0 | 1 | 1 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Capacity building workshops implemented to support implementation of the circular economy elements of new Industrial Policy Strategy of Serbia in collaboration with the Chamber of Commerce and Industry | Number of workshops | Action implementation progress reports | 0 |  | 0 | 2 | 2 | 0 | 4 | Collection method: Review/analysis of relevant reports |
| Circular economy requirements integrated within local waste management plans at municipal level | Number of local waste management plans improved with circular economy requirements. | Action implementation progress reports  Reports of the concerned local self-governments | 0 |  | 0 | 3 | 2 | 0 | 5 | Collection method: Review/analysis of relevant reports |
| Cities/municipalities with wastewater treatment facilities supported in identification of interlink between sludge and bio-waste management | Number of cities/municipalities with identified solutions for sludge and bio-waste management | Action implementation progress reports  Reports of the concerned local self-governments | 0 |  | 0 | 1 | 1 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Recommendations developed for further improvements of regulatory acts on air quality | Number of improved regulatory acts on air quality | Action implementation progress reports  Report of the Ministry of Environmental Protection | 0 |  | 0 |  | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Tailor-made training module on participatory air quality planning and short-term plan development prepared and representatives of LSGs trained | Number of representatives of LSGs trained | Action implementation progress reports | 0 |  | 0 | 25 | 25 | 0 | 50 | Collection method: Review/analysis of relevant reports |
| Local Air Quality Plans and/or short-term action plans developed or improved | Number of developed or improved plans | Action implementation progress reports  Reports (incl. local Air Quality Plans) of the concerned local self-governments | 0 |  | 0 | 5 | 5 | 0 | 10 | Collection method: Review/analysis of relevant reports |
| Inclusive policy dialogue on air pollution initiated and annual conferences held | Number of annual conferences supporting inclusive policy dialogue | Action implementation progress reports | 0 |  | 0 | 1 | 1 | 1 | 3 | Collection method: Review/analysis of relevant reports |
| Regional cooperation on air quality management promoted through workshops | Number of workshops organized | Action implementation progress reports  Workshop reports | 0 |  | 1 | 1 | 2 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Abandoned agricultural land plots suitable for afforestation identified | Number of identified hechtars of land plots | Action implementation progress reports  Reports of the Land Management Directorate (MAFWM) | 0 |  | 0 | 0 |  | 100 | 100 | Collection method: Review/analysis of relevant reports |
| Pilot Forest Landscape Restoration plans developed for priority areas for forest landscape restoration | Number of pilot forest landscape restoration plans developed | Action implementation progress reports | 0 |  | 1 | 2 | 3 | 0 | 5 | Collection method: Review/analysis of relevant reports |
| One sustainable protected area management plan elaborated for demonstration of integrated cross sectoral implementation approach | Number of management plan elaborated | Action implementation progress reports  Report of the concerned protected area | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Component 2: GET PILOT ACTION – Supporting change | | | | | | | | | | |
| Co-financing mechanism for implementation of pilot projects developed and agreed | Number of mechanisms | Action implementation progress reports  PSC meeting minutes | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Expert support mechanism (“acceleration support”) for implementation of pilot projects developed and agreed | Number of mechanisms | Action implementation progress reports  PSC meeting minutes | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Mechanism for selection of pilot projects developed – the Innovation Challenge Calls, as well as competition for CSOs, prepared and launched | Number of Innovation Challenge Calls | Action implementation progress reports  PSC meeting minutes | 0 |  | 6 | 0 | 6 | 0 | 6 | Collection method: Review/analysis of relevant reports |
| Pilot projects selected | List of pilot projects | Action implementation progress reports | 0 |  | 1 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Innovative solutions for lowering carbon intensity identified and further elaborated from operators falling under the EU ETS and entities from non-ETS sectors | Number of operators supported | Action implementation progress reports | 0 |  | 0 | 10 | 0 | 0 | 10 | Collection method: Review/analysis of relevant reports |
| Innovative solutions of selected ETS operators and entities from non-ETS sectors implemented | Number of implemented innvoative solutions | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Renewable energy solutions from both, public and private sector, implemented. | Number of implemented renewable energy solutions | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 0 | 0 | 3 | 3 | Collection method: Review/analysis of relevant reports |
| Bankable investment projects in clean technologies for industries prepared | Number of prepared bankable projects | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 3 | 7 | 0 | 10 | Collection method: Review/analysis of relevant reports |
| Identified BATs implemented by selected industries | Number of industres with implemented BATs | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Projects of public and private companies for increasing waste collection & recycling rates, identified and elaborated | Number of identified and elaborated projects | Action implementation progress reports | 0 |  | 0 | 5 | 10 | 0 | 15 | Collection method: Review/analysis of relevant reports |
| Projects of public and private entities, for increasing waste collection and recycling rates implemented | Number of implemented projects of public and private entities | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 0 | Up to 5 | Up to 10 | Up to 15 | Collection method: Review/analysis of relevant reports |
| Innovative measures from the Challenge call for reduced air pollution at municipal level further elaborated | Number of elaborated measures | Action implementation progress reports | 0 |  | 0 | 0 | 5 | 0 | 5 | Collection method: Review/analysis of relevant reports |
| Pilot measures for air quality improvements in pilot areas implemented | Number of implemented pilot measures | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 0 | 3 | 2 | 5 | Collection method: Review/analysis of relevant reports |
| Feasible priority and “no-regret” measures from the local Air Quality Plans/Short-term Action Plans implemented | Number of implemented measures | Action implementation progress reports  Annual reports of the concerned local self-governments | 0 |  | 0 | 2 | 1 | 2 | 5 | Collection method: Review/analysis of relevant reports |
| Additional Clean Air Innovation Challenge call ideas, already vetted by UNDP implemented | Number of implemented ideas | Action implementation progress reports | 0 |  | 0 | 1 | 1 | 1 | 3 | Collection method: Review/analysis of relevant reports |
| Feasibility studies developed for afforestation of concrete areas | Number of feasibility studies developed | Action implementation progress reports  Feasability studies or afforestation of concrete areas | 0 |  | 1 | 1 | 2 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Pilot afforestation measure implemented by National Afforestation Body in cooperation with municipalities and private sector | Number of hecktars afforestated | Action implementation progress reports  Annual reports of beneficiary entities | 0 |  | 0 | 50ha | 0 | 0 | 50 ha | Collection method: Review/analysis of relevant reports |
| Measures from each of the three forest landscape restoration plans (FLRs) implemented | Number of implemented measures | Action implementation progress reports  Reports on implementation of FLRs | 0 |  | 0 | 1 | 1 | 2 | 3 | Collection method: Review/analysis of relevant reports |
| CSO-led measures for small-scale improvements in protected areas management implemented | Number of implemented measures | Action implementation progress reports  Annual reports of concerned CSOs  Annual reports of the concerned protected areas | 0 |  | 0 | 0 | 2 | 0 | 2 | Collection method: Review/analysis of relevant reports |
| Nature-based (NbS) pilot measures related to a protected area management plan implemented. | Number of implemented nature-based solution pilot measures | Action implementation progress reports  Annual reports of the concerned protected areas | 0 |  | 0 | 0 | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |
| Component 3: SCALE-UP – Promoting change and building future | | | | | | | | | | |
| Entities selected and awarded as frontrunners of the Green Agenda for Serbia and awareness raised through Agents of Change approach | Number of entities selected and awarded | Action implementation progress reports | 0 |  | 0 | 0 | 0 | Up to 10 | Up to 10 | Collection method: Review/analysis of relevant reports |
| Public dialogue strengthened and public policy dialogues at local level organized | Number of public policy dialogues at local level organized | Action implementation progress reports | 0 |  | 0 | 1 | 1 | 1 | 3 | Collection method: Review/analysis of relevant reports |
| Promotion workshops organized improving public communication on green agenda among women and youth groups | Number of workshops organized | Action implementation progress reports  Workshop reports | 0 |  | 0 | 0 | 1 | 1 | 2 | Collection method: Review/analysis of relevant reports |
| up to 5 local self-governments supported in scaling up pilot actions | Number of studies for upscaling local self-government pilot actions | Action implementation progress reports  Reports of the concerned LSGs | 0 |  | 0 | 0 | 0 | Up to 5 | Up to 5 | Collection method: Review/analysis of relevant reports |
| ESCO – model-based studies developed for scale up in public sector | Number of ESCO model-based studies develoeped | Action implementation progress reports | 0 |  | 0 | 0 | 2 | 3 | 5 | Collection method: Review/analysis of relevant reports |
| Annual consultation events with IFIs organized to support scale up investments | Number of consultation events organized | Action implementation progress reports | 0 |  | 0 |  | 1 | 0 | 1 | Collection method: Review/analysis of relevant reports |

# Monitoring And Evaluation

In accordance with UNDP’s programming policies and procedures, the project will be monitored through the following monitoring and evaluation plans: *[Note: monitoring and evaluation plans should be adapted to project context, as needed]*

**Monitoring Plan**

| **Monitoring Activity** | **Purpose** | **Frequency** | **Expected Action** | **Partners**  **(if joint)** | **Cost**  **(if any)** |
| --- | --- | --- | --- | --- | --- |
| **Track results progress** | Progress data against the results indicators in the RRF will be collected and analysed to assess the progress of the project in achieving the agreed outputs. | Quarterly, or in the frequency required for each indicator. | Slower than expected progress will be addressed by project management. |  |  |
| **Monitor and Manage Risk** | Identify specific risks that may threaten achievement of intended results. Identify and monitor risk management actions using a risk log. This includes monitoring measures and plans that may have been required as per UNDP’s Social and Environmental Standards. Audits will be conducted in accordance with UNDP’s audit policy to manage financial risk. | Quarterly | Risks are identified by project management and actions are taken to manage risk. The risk log is actively maintained to keep track of identified risks and actions taken. |  |  |
| **Learn** | Knowledge, good practices and lessons will be captured regularly, as well as actively sourced from other projects and partners and integrated back into the project. | At least annually | Relevant lessons are captured by the project team and used to inform management decisions. |  |  |
| **Annual Project Quality Assurance** | The quality of the project will be assessed against UNDP’s quality standards to identify project strengths and weaknesses and to inform management decision making to improve the project. | Annually | Areas of strength and weakness will be reviewed by project management and used to inform decisions to improve project performance. |  |  |
| **Review and Make Course Corrections** | Internal review of data and evidence from all monitoring actions to inform decision making. | At least annually | Performance data, risks, lessons and quality will be discussed by the project board and used to make course corrections. |  |  |
| **Project Report** | A progress report will be presented to the Project Board and key stakeholders, consisting of progress data showing the results achieved against pre-defined annual targets at the output level, the annual project quality rating summary, an updated risk long with mitigation measures, and any evaluation or review reports prepared over the period. | Annually, and at the end of the project (final report) |  |  |  |
| **Project Review (Project Board)** | The project’s governance mechanism (i.e., project board) will hold regular project reviews to assess the performance of the project and review the Multi-Year Work Plan to ensure realistic budgeting over the life of the project. In the project’s final year, the Project Board shall hold an end-of project review to capture lessons learned and discuss opportunities for scaling up and to socialize project results and lessons learned with relevant audiences. | Specify frequency (i.e., at least annually) | Any quality concerns or slower than expected progress should be discussed by the project board and management actions agreed to address the issues identified. |  |  |

**Evaluation Plan[[9]](#footnote-10)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Evaluation Title** | **Partners (if joint)** | **Related Strategic Plan Output** | **UNSDCF/CPD Outcome** | **Planned Completion Date** | **Key Evaluation Stakeholders** | **Cost and Source of Funding** |
| FInal Evaluation |  |  |  | December 2024 |  |  |

# Multi-Year Work Plan

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **EXPECTED OUTPUTS** | **PLANNED ACTIVITIES** | **Planned Budget by Year** | | | | **RESPONSIBLE PARTY** | **PLANNED BUDGET** | | |
| Y1 | Y2 | Y3 | Y4 | Funding Source | Budget Description | Amount (USD) |
| **Climate Action in line with the Green Agenda** in Serbia    *Gender marker:*  *GEN 1* | ***A 1.1. Development of the Green Agenda Strategy for Serbia*** | 610,000.00 | 50,000.00 | 0.00 | 0.00 | UNDP | SDC | – 71200 International Consultants | 110,000.00 |
| 60,000.00 | 50,000 |  |  | UNDP | SDC | 71300 Local Consultants | 110,000.00 |
| 10,000.00 |  |  |  | UNDP | SDC | 71400 Contractual services - Individuals | 10,000.00 |
| 2,000.00 |  |  |  | UNDP | SDC | 71600 Travel | 2,000.00 |
| 3,000.00 |  |  |  | UNDP | SDC | 74200 Audio Visuals | 3,000.00 |
| 2,000.00 |  |  |  | UNDP | SDC | 75700 Training services and workshops | 2,000.00 |
| ***A.1.2. Policy implementation support and capacity building for pilot projects and scale-up*** | 5,000.00 | 5,000.00 | 5,000 | 10,000 | UNDP | SDC | 71200 International Consultants | 25,000.00 |
| 40,000.00 |  | 30,000 |  | UNDP | SDC | 71300 Local Consultants | 70,000.00 |
| 10,000.00 | 30,000.00 | 30,000 | 30,000 | UNDP | SDC | 71400 Contractual services Individuals | 100,000.00 |
|  | 45,000.00 | 15,000.00 |  |  |  | 72100 Contract Companies | 60,000.00 |
| 500.00 | 500.00 |  |  | UNDP | SDC | 71600 Travel | 1,000.00 |
| 2,000 | 1,000.00 | 2,000.00 | 2,000.00 | UNDP | SDC | 74200 Audio Visual | 7,000.00 |
|  | 1,000.00 | 1,000.00 | 1,000.00 | UNDP | SDC | 74500 Miscellaneous | 3,000.00 |
| 3,000.00 | 1,000.00 | 1,000.00 |  | UNDP | SDC | 75700 Training services and workshops | 5,000.00 |
| ***A 2.1. Preparation of mechanisms for implementation of pilot project***s | 14,000.00 |  |  |  | UNDP | SDC | 71300 Local Consultants | 14,000.00 |
| ***A 2.2. Selection of pilot projects*** |  |  | 60,000.00 | 100,000.00 | UNDP | SDC | 71200 International Consultants | 160,000.00 |
| 50,000.00 | 45,000.00 | 55,000.00 | 0.00 | UNDP | SDC | 71300 Local Consultants | 150,000.00 |
| 19,554.00 | 35,000.00 | 25,000.00 | 25,000.00 | UNDP | SDC | 71400 Contractual services Individuals | 104,554.00 |
|  | 1,000.00 | 1,000.00 | 1,000.00 | UNDP | SDC | 74500 Miscellaneous | 3,000.00 |
| ***A 2.3 Implementation of pilot projects*** | 20,000.00 | 30,000.00 | 20,000.00 | 10,000.00 | UNDP | SDC | 71300 Local Consultants | 80,000.00 |
| 10.000.00 | 10,000.00 | 5,000.00 | 5,000.00 | UNDP | SDC | 71400 Contractual services Individuals | 30,000.00 |
| 301.250.00 | 322,500.00 | 783,049.00 | 744,298.00 | UNDP | SDC | 72600 Grants | 1,761,097.00 |
|  | 1,000.00 | 10,000.00 | 1,000.00 | 10,000 | UNDP | SDC | 74200 Audio Visual | 22,000.00 |
|  | 2,000.00 | 9,000.00 | 10,500.00 | 7,500.00 | UNDP | SDC | 75700 Training services and workshops | 29,000.00 |
|  | ***A 3.1 Promotion, awareness raising and policy dialogue*** | 20,000.00 | 20,000.00 | 20,000.00 | 20,000.00 | UNDP | SDC | 71400 Contractual services Individuals | 80,000.00 |
|  | 2,000.00 | 2,000.00 | 2,000.00 | 2,000.00 | UNDP | SDC | 71600 Travel | 8,000.00 |
|  |  |  | 1,000.00 | 1,000.00 | UNDP | SDC | 74200 Audio Visuals | 2,000.00 |
|  | 1,000.00 | 1,000.00 | 1,000.00 | 1,000.00 | UNDP | SDC | 74500 Miscellaneous | 4,000.00 |
|  | 5,000.00 | 5,000.00 | 3,000.00 | 7,000.00 | UNDP | SDC | 75700 Training services and workshops | 20,000.00 |
|  | ***A 3.2 Support provided in development of conditions and technical assistance for future scale-up projects*** | 20,000.00 |  |  |  | UNDP | SDC | 71200 International consultants | 20,000.00 |
|  |  | 5,000.00 | 5,000.00 | 5,000.00 | UNDP | SDC | 71300 Local Consultants | 15,000.00 |
|  | 20,000.00 | 10,000.00 | 9,539.00 |  | UNDP | SDC | 71400 Contractual services Individuals | 39,539.00 |
|  | 45,000.00 |  |  |  | UNDP | SDC | 72100 Contract Companies | 45,000.00 |
|  | 5,000.00 | 3,000.00 | 3,000.00 |  | UNDP | SDC | 75700 Training services and workshops | 11,000.00 |
|  | **Evaluation** | 0.00 | 0.00 | 0.00 | 15,000.00 | UNDP | SDC | 71200 International consultants | 15,000.00 |
|  | **Project Management** | 30,000.00 | 62,436.00 | 62,436.00 | 30,000.00 | UNDP | SDC | 64300 staff | 184,872.00 |
|  | 67,373.26 | 76,217.85 | 89,178.54 | 68,941.76 | UNDP | SDC | 75100 General Management Services (GMS) | |  | | --- | | 301,711.41 | |
|  | 40,328.00 |  |  |  |  |  | Coordination Levy (1%) | 40,328.00 |
| **TOTAL** |  |  |  |  |  |  |  |  | **4,073,104.44** |

I. Governance and Management Arrangements

This project will be directly implemented by UNDP’s Country Offices in the Republic of Serbia, in line with UNDP’s Programme and Operations Policies and Procedures. UNDP Country Offices will act as the Executive and be responsible for overall management, backstopping and monitoring of the project as well as for management and delivery of assigned components, their proper monitoring and operational closure.

**Senior Supplier**

UNDP and SDC

**Executive**

UNDP

**Project Assurance**

UNDP

Project Board **(Governance Mechanism)**

**Project Organisation Structure**

**Senior Beneficiary**

MoEP

**Project Manager &**

**Project Implementation Unit**

Mentorship/coaching team of individual consultants

Team for supporting further policy implementation and project development

Independent evaluators

The Project Board[[10]](#footnote-11) is responsible for making by consensus, management decisions when guidance is required by the Project Manager, including recommendation for UNDP/Implementing Partner approval of project plans and revisions. In order to ensure UNDP’s ultimate accountability, Steering committee decisions should be made in accordance with standards that shall ensure management for development results, best value money, fairness, integrity, transparency and effective international competition. In case a consensus cannot be reached within the Committee, final decision shall rest with the UNDP Programme Officer and Project Manager.

The Steering committee will meet regularly (at least twice a year) to review project progress, discuss and agree on project multi-year work plans. The Steering committee key roles will be as follows:

* Provide overall leadership, guidance and direction in successful delivery of outputs and their contribution to outcomes under the programme;
* Be responsible for making strategic decisions by consensus, including the approval of substantive project changes (i.e. changes in the project document);
* Approve the work plans, reviews and other reports as needed;
* review the progress achieved, management risks, and other relevant issues;
* Address any relevant project issues as raised by the Project manager and authorise any deviation from agreed work plans;
* Provide guidance on new project risks and agree on possible countermeasures and management actions to address specific risks.
* Approval of each tranche of PBP agreements, pending the fulfilment of the milestones defined for each signatory of the PBP Agreements;
* Ensuring close co-operation among the institutions involved;
* Coordinating with other projects related to this field and with other relevant donors’ projects to promote synergies and integration.

**Executive role** will be performed by the UNDP, who shall have a decisive power if the opinions of development partners and beneficiary representatives do no reach compromise.

**Senior Supplier** (Development Partners) role is to provide guidance regarding the technical feasibility of the project. This role will be held by a designated representative from the UNDP and SDC.

**Senior Beneficiary** role will be performed by representatives of Ministry for Environmental Protection, typically at decision making level, with the purpose of ensuring the realization of project benefits from the perspective of project beneficiaries.

The project will be managed by a **Project Manager** who has the authority to run the project on a day-to-day basis on behalf of the Implementing Partner within the constraints laid down by the Committee. The Project Manager is responsible for day-to-day management and decision-making for the project. The Project Manager’s prime responsibility is to ensure that the project produces the results (outputs) specified in the project document to the required standard of quality and within the specified constraints of time and cost.

**Project Assurance** is the responsibility of each Steering committee member; however, the role can be delegated. The Project Assurance role supports the Steering committee by carrying out objective and independent project oversight and monitoring functions. This role ensures appropriate project management milestones are managed and completed. Project Assurance has to be independent of the Steering committee; therefore, the Steering committee cannot delegate any of its assurance responsibilities to the Project manager. The project assurance role for this project will be performed by UNDP.

**Project Implementation Unit (PIU)** established by UNDP will be responsible for technical and administrative aspects of the implementation of this Project including support to development, monitoring and evaluation of the implementation of selected applications/project proposals on other and/or dislocated locations where the services are actually performed. However, the final responsibility for all the activities to be undertaken by (or on behalf of) the UNDP remains fully on Project Manager.

**Team of evaluators** will consist of evaluators that will be engaged to support technical evaluation and pre selection of submitted applications. In evaluating applications against the Challenge Call criteria, the specialised technical knowledge, experience and sound judgement of the evaluators is crucial. Therefore, their engagement will be done based on the subjects of applications received to the Challenge Call. Evaluators will be selected and supervised by the UNDP staff, in close consultations with SDC and the MoEP.

**Mentorship/Coaching team** will be engaged based on the type of selected applications. Their profiles will depend on the specific areas that the selected project proposals are referring to. Their role would be to ensure efficient acceleration process and smooth implementation of selected project proposals. Team will be supervised by the Project manager.

**Team for supporting planning and further policy implementation** will consist of senior experts which will be engaged to provide technical assistance. Their profiles will be including relevant experience in preparing local action plans for climate change mitigation, adaptation and air quality. Furthermore, senior policy experts will be engaged to support alignment between national and local climate change policies and introducing policy improvements for climate action. The team could also include experts involved in other related projects and activities, thus enhancing synergies and broadening cooperation. Team will be supervised by the Project manager.

**X Legal Context**

This project document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement between the Government of (country) and UNDP, signed on (date).   All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

**XI Risk Management**

**UNDP (DIM)**

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)
2. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the [project funds][[11]](#footnote-12) [UNDP funds received pursuant to the Project Document][[12]](#footnote-13) are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (http://www.undp.org/ses) and related Accountability Mechanism (http://www.undp.org/secu-srm).
4. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. In the implementation of the activities under this Project Document, UNDP as the Implementing Partner will handle any sexual exploitation and abuse (“SEA”) and sexual harassment (“SH”) allegations in accordance with its regulations, rules, policies and procedures.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
   1. Consistent with the Article III of the SBAA *[or the Supplemental Provisions to the Project Document]*, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP’s property in such responsible party’s, subcontractor’s and sub-recipient’s custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
      1. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
      2. assume all risks and liabilities related to such responsible party’s, subcontractor’s and sub-recipient’s security, and the full implementation of the security plan.
   2. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party’s, subcontractor’s and sub-recipient’s obligations under this Project Document.
   3. In the performance of the activities under this Project, UNDP as the Implementing Partner shall ensure, with respect to the activities of any of its responsible parties, sub-recipients and other entities engaged under the Project, either as contractors or subcontractors, their personnel and any individuals performing services for them, that those entities have in place adequate and proper procedures, processes and policies to prevent and/or address SEA and SH.
   4. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants, subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.
   5. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a)UNDP Policy on Fraud and other Corrupt Practices and (b)UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
   6. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants’, subcontractors’ and sub-recipients’) premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
   7. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP’s Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

* 1. UNDP will be entitled to a refund from the responsible party, subcontractor or sub-recipient of any funds provided that have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document. Such amount may be deducted by UNDP from any payment due to the responsible party, subcontractor or sub-recipient under this or any other agreement.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

*Note:* The term “Project Document” as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

* 1. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
  2. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
  3. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

**ANNEXES**

1. **Project Quality Assurance Report**
2. **Social and Environmental Screening Template**
3. **Risk Analysis**.
4. **Capacity Assessment:** Not Applicable
5. **Steering Committee Terms of Reference and TORs of key management positions**

**Annex 2. Social and Environmental Screening Template**

*The completed template, which constitutes the Social and Environmental Screening Report, must be included as an annex to the Project Document. Please refer to the* [*Social and Environmental Screening Procedure*](http://www.undp.org/content/undp/en/home/librarypage/operations1/undp-social-and-environmental-screening-procedure.html) *and* [*Toolkit*](https://info.undp.org/sites/bpps/ses_toolkit/default.aspx) *for guidance on how to answer the 6 questions.*

**Project Information**

|  |  |
| --- | --- |
| ***Project Information*** |  |
| 1. Project Title | ***Climate Action in line with the Green Agenda*** |
| 1. Project Number | 00139323 / 00129089 |
| 1. Location (Global/Region/Country) | Serbia |
| 1. Project Stage | ProDoc |
| 1. Date | 19 October 2021 |

**Part A. Integrating Overarching Principles to Strengthen Social and Environmental Sustainability**

|  |
| --- |
| **QUESTION 1: How Does the Project Integrate the Overarching Principles in order to Strengthen Social and Environmental Sustainability?** |
| ***Briefly describe in the space below how the Project mainstreams the human-rights based approach*** |
| Since the break-up of former Yugoslavia, Serbia has actively adhered to the principles of mainstreaming human rights in the national legislation and government policies. The country has ratified and participates in a number of international human rights conventions and protocols. Additionally, the country has adopted national strategies towards gender equality and against discrimination. The proposed project will further support this process and will mainstream through its design and activities a clearly defined human rights based approach.  The project will support the implementation of open monitoring, information and knowledge management as well as broad community engagement and participation through a highly participatory approach, thereby also seeking to improve the transparency and accountability of local governance, opportunities for public participation in decision making and development of people’s living environment. In this way, the project will support the right to information and will aim to reflect the views of various stakeholders, including minorities, marginalized and vulnerable groups in the project design and operation. Climate action promoted under the project is expected to contribute to the further improvement of quality of life and the advancement of equal human rights to a safe and clean environment, while also creating new employment and business opportunities thus supporting the right for equal employment. |
| ***Briefly describe in the space below how the Project is likely to improve gender equality and women’s empowerment*** |
| Although normative, policy and institutional framework for gender equality have been developed for almost two decades in Serbia, and many advancements towards better gender equality and empowerment of women are achieved, there are still systematic and profound gender inequalities due to the structural barriers preventing women’s equal participation in the economy, social life and decision-making processes, as well as patriarchal norms, values and attitudes underpinning these inequalities. Women have lower access to natural resources due to low land ownership. Their participation in economy is less favorable, marked with lower participation and employment rates, concentration in the social service or personal service sectors, low participation among entrepreneurs. This leaves the huge unused potential for engagement in innovative activities, including those related to the climate action.  As a consequence of less favorable economic participation, women have a weaker economic position, and therefore lower resilience to climate change adverse impacts as well as lower capacities to adjust to the climate change. Carrying predominant responsibilities in the household economy and family care, women are the primary target group for changing attitudes and practices related to the consumption patterns relevant to improving air quality and decarbonization. In particularly difficult position are women from marginalized groups, women living in rural remote areas, women with disabilities, women living in households with low work intensity and high poverty risks, who as livelihood coping strategies employ practices that are not beneficial from the perspective of decarbonization. Despite the progress in women’s participation in decision making, particularly in terms of the higher share in positions at the highest levels of legislative and executive power, women’s interests are not well reflected in many decision-making bodies and policies. Gender mainstreaming is gradually introduced in public policymaking, as well as gender responsive budgeting, but there is still a need to be further introduced in all policies and programs related to climate change and environmental protection.  The project will further support the improvement of gender equality in the country by taking a gender responsive approach to promote gender equality and women’s empowerment in the design and execution of all project outputs In support of business ideas and innovative proposals, the project intervention will specifically encourage female innovators, entrepreneurs and experts. Mentorship and technical assistance will take care of specific potentials and needs of women supported. Challenge calls will be designed not only in a way that provides equal opportunities for women but to stimulate their interest and encourage their participation. All awarded projects will have to demonstrate gender equality considerations and impact. Dissemination activities will ensure that best practices promoting women engagement in climate change action are visible and will motivate other women to consider engaging in similar actions. |
| ***Briefly describe in the space below how the Project mainstreams sustainability and resilience*** |
| Mainstreaming environmental sustainability and resilience is at the core of the project strategy. The project will support planning of air quality and climate action measures which will foster sustainability and national and local level resilience. Also, supporting innovative solutions in climate action and air quality improvement through technical and financial assistance will increase capacities of local SMEs, CSOs and the public sector in implementation of measures in a sustainable manner. Improvement of land management and forestation (Component 3) will foster biodiversity and resilience. The abandoned land to be forested is usually of poorer quality and in this way it will gain a useful function in biodiversity conservation and climate change adaptation and increasing resilience. |
| ***Briefly describe in the space below how the project strengthens accountability to stakeholders*** |
| The project design is closely aligned with the national policy for climate change mitigation and adaption. The development local low carbon development and adaptation action plans, as well as air quality improvement plans will be done in a participatory manner.  Furthermore, the project will organize info days ahead of challenge publication, which will be used for consultations with different target groups, such as potential beneficiaries (SMEs, R&D, start-ups), public sector (local communities, public companies, government agencies) as well as CSOs. These consultations will provide an opportunity for the stakeholders to raise their concerns.  The communication and mobilization of the business community will be ensured through the cooperation with the Chamber of Commerce and Industry and their engagement in building capacities of beneficiaries and decision makers. |

**Part B. Identifying and Managing Social and Environmental Risks**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTION 2: What are the Potential Social and Environmental Risks?**  *Note: Complete SESPT Attachment 1 before responding to Question 2* | **QUESTION 3: What is the level of significance of the potential social and environmental risks?**  *Note: Respond to Questions 4 and 5 below before proceeding to Question 6* | | | | | **QUESTION 6: Describe the assessment and management measures for each risk rated Moderate, Substantial or High** | | | |
| ***Risk Description***  ***(broken down by event, cause, impact)*** | ***Impact and Likelihood (1-5)*** | ***Significance***  ***(Low, Moderate, Substantial, High)*** | ***Comments (optional)*** | | | ***Description of assessment and management measures for risks rated as Moderate, Substantial or High*** | | | |
| **Risk 1:** The project may have adverse impact on gender equality in terms of lower share of women among entities awarded for projects through challenges, or due to the lack of awareness and understanding of awarded entities on how to implement projects in gender responsible ways  P.9 | I = 2  L = 1 | Low | Having in mind the lower participation of women among entrepreneurs and business owners, particularly in the areas related to the climate action, there is a risk of not achieving optimal outreach to women through awards to projects selected through challenges. | | | Gender-specific indicators will be designed as part of the project results framework, collecting gender-sensitive data on the project impact during its implementation. Additionally, the project has been designed to specifically encourage female innovators, entrepreneurs, and experts to participate in the project implementation Promotion activities and training will be gender mainstreamed, targeting specific needs and roles of women who are directly involved in waste management or any part of the product’s lifecycle.  The awareness-raising activities will be implemented with entities implementing projects awarded through challenges to better understand how their project can be fully gendered responsible and even unlock the women’s empowerment potential that was not initially intended or recognized. | | | |
| **Risk 2:** Upstream impacts (risk of unintended social or environmental consequences of policy changes).  P.2  Standard 1, q.1.3 | I = 2  L = 2 | Low | The project will support alignment of national and local policy. Local strategies and action plans will focus on air quality improvement, decarbonization and climate change adaptation and no negative upstream impacts are expected. However, there is a risk that the government and local self-governments will not have the capacity to meet their plans and obligations. | | | Due to the limited capacities of the government in terms of climate action, especially on local level, the project design incorporates assistance in alignment of local with the national policies. The project will support development of capacities in municipalities and planning of low carbon strategies, air quality plans and climate change adaptation plans. These planning documents will be developed in a participatory manner and no social or environmental consequences are expected. | | | |
| **Risk 3:** The outcomes of the projects supported through challenges may be sensitive or vulnerable to potential impacts of climate change  Standard 2, q.2.2 | I=2, L=2 | Low | In some cases, projects supported within Component 1 may be vulnerable to climate change, e.g. in case of fuel – switch to biomass. | | | During the selection process under the challenge calls, the applicants which foresee the use of biomass waste as input material will be requested to provide the assessments about the available quantities of biomass. Here, the results of the recently finished UNDP Project “Reducing Barriers to Accelerate the Development of Biomass Markets in Serbia “will provide valuable information for the assessment of biomass potential. Also, in order to assure that the PBP is provided only for sustainable solutions, the project applicants will be requested to provide confirmation from potential biomass suppliers. | | | |
| **Risk 4:** The activities on changes of land management may lead to decrease of agricultural land  Standard 1, q. 1.3  Standard 2. q.2.1 | I=2, L=2 | Low | The conversion of agricultural land to forest and windbreaks can reduce the land available for agricultural land. | | | The project will target the state-owned abandoned land suitable for forestation. Targeted land plots will have poor soil fertility and exposed to soil erosion, landslides, etc. Thus, the likelihood that the project will reduce the access to land for agriculture is very low. Furthermore, the forestation will be done in close to nature approach and with the aim to increase biodiversity while increasing the resilience function of the forest belts. | | | |
|  | **QUESTION 4: What is the overall Project risk categorization?** | | | | | | | | |
| **Select one (see** [**SESP**](http://www.undp.org/content/undp/en/home/librarypage/operations1/undp-social-and-environmental-screening-procedure.html) **for guidance)** | | | | | | **Comments** | | |
| ***Low Risk*** | | | | **X** | | **Overall, the project is categorized as low risk.** | | |
| ***Moderate Risk*** | | | | **☐** | |  | | |
| ***Substantial Risk*** | | | | **☐** | |  | | |
| ***High Risk*** | | | |  | |  | | |
|  | **QUESTION 5: Based on the identified risks and risk categorization, what requirements of the SES are triggered (check all that apply)?** | | | | | |  | | |
| Question only required for Moderate, Substantial and High Risk projects: | | | | | | | | |
| **Is assessment required? (check if “yes”)** | | |  | | |  |  |  |
| *If yes, indicate overall type and status* | | |  | | |  | Targeted assessment(s) |  |
|  | | |  | ESIA (Environmental and Social Impact Assessment) |  |
|  | | |  | SESA (Strategic Environmental and Social Assessment) |  |
| **Are management plans required? (check if “yes”)** | | |  | | |  |  |  |
| If yes, indicate overall type | | |  | | |  | Targeted management plans (Gender Action Plan, Stakeholder Engagement Plan, on CE project proposal level Waste Management Plan, Occupational Health Safety Plans and, if needed, Livelihood Action Plan) |  |
|  | | |  | ESMP (Environmental and Social Management Plan which may include range of targeted plans) |  |
|  | | |  | ESMF (Environmental and Social Management Framework) |  |
| **Based on identified risks, which Principles/Project –level Standards triggered?** | | | | | | **Comments (not required)** | | |
| **Overarching Principle: Leave No One Behind** | | | | | |  | | |
| ***Human Rights*** | | | | **☐** | |  | | |
| ***Gender Equality and Women’s Empowerment*** | | | | **☐** | |  | | |
| ***Sustainability and Resilience*** | | | | **☐** | |  | | |
| ***Accountability*** | | | | **☐** | |  | | |
| ***1. Biodiversity Conservation and Sustainable Resource Management*** | | | | **☐** | |  | | |
| ***2. Climate Change and Disaster Risks*** | | | | **☐** | |  | | |
| ***3. Community Health, Safety and Security*** | | | | **☐** | |  | | |
| ***4. Cultural Heritage*** | | | | **☐** | |  | | |
| ***5. Displacement and Resettlement*** | | | | **☐** | |  | | |
| ***6. Indigenous Peoples*** | | | | **☐** | |  | | |
| ***7. Labour and Working Conditions*** | | | | **☐** | |  | | |
| ***8. Pollution Prevention and Resource Efficiency*** | | | | **☐** | |  | | |

**Final Sign Off**

|  |  |  |
| --- | --- | --- |
| ***Signature*** | ***Date*** | ***Description*** |
| QA Assessor |  | UNDP staff member responsible for the Project, typically a UNDP Programme Officer. Final signature confirms they have “checked” to ensure that the SESP is adequately conducted. |
| QA Approver |  | UNDP senior manager, typically the UNDP Deputy Country Director (DCD), Country Director (CD)**,** Deputy Resident Representative (DRR), or Resident Representative (RR). The QA Approver cannot also be the QA Assessor. Final signature confirms they have “cleared” the SESP prior to submittal to the PAC. |
| PAC Chair |  | UNDP chair of the PAC. In some cases PAC Chair may also be the QA Approver. Final signature confirms that the SESP was considered as part of the project appraisal and considered in recommendations of the PAC. |

**SESP Attachment 1. Social and Environmental Risk Screening Checklist**

|  |  |
| --- | --- |
| **Checklist Potential Social and Environmental Risks** | |
| INSTRUCTIONS: The risk screening checklist will assist in answering Questions 2-6 of the Screening Template. Answers to the checklist questions help to (1) identify potential risks, (2) determine the overall risk categorization of the project, and (3) determine required level of assessment and management measures. Refer to the [SES toolkit](https://info.undp.org/sites/bpps/ses_toolkit/default.aspx) for further guidance on addressing screening questions. | |
| **Overarching Principle: Leave No One Behind** | **Answer  (Yes/No)** |
| **Human Rights** |  |
| P.1 Have local communities or individuals raised human rights concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)? | No |
| P.2 Is there a risk that duty-bearers (e.g. government agencies) do not have the capacity to meet their obligations in the project? | *Yes* |
| P.3 Is there a risk that rights-holders (e.g. project-affected persons) do not have the capacity to claim their rights? | *No* |
| *Would the project potentially involve or lead to:* | *---* |
| P.4 adverse impacts on enjoyment of the human rights (civil, political, economic, social or cultural) of the affected population and particularly of marginalized groups? | No |
| P.5 inequitable or discriminatory impacts on affected populations, particularly people living in poverty or marginalized or excluded individuals or groups, including persons with disabilities? [[13]](#footnote-14) | No |
| P.6 restrictions in availability, quality of and/or access to resources or basic services, in particular to marginalized individuals or groups, including persons with disabilities? | No |
| P.7 exacerbation of conflicts among and/or the risk of violence to project-affected communities and individuals? | No |
| **Gender Equality and Women’s Empowerment** |  |
| P.8 Have women’s groups/leaders raised gender equality concerns regarding the project (e.g. during the stakeholder engagement process, grievance processes, public statements)? | yes |
| *Would the project potentially involve or lead to:* | *---* |
| P.9 adverse impacts on gender equality and/or the situation of women and girls? | *Yes* |
| P.10 reproducing discriminations against women based on gender, especially regarding participation in design and implementation or access to opportunities and benefits? | No |
| P.11 limitations on women’s ability to use, develop and protect natural resources, taking into account different roles and positions of women and men in accessing environmental goods and services?  *For example, activities that could lead to natural resources degradation or depletion in communities who depend on these resources for their livelihoods and well being* | No |
| P.12 exacerbation of risks of gender-based violence?  *For example, through the influx of workers to a community, changes in community and household power dynamics, increased exposure to unsafe public places and/or transport, etc*. | No |
| **Sustainability and Resilience:** Screeningquestions regarding risks associated with sustainability and resilience are encompassed by the Standard-specific questions below |  |
| **Accountability** |  |
| *Would the project potentially involve or lead to:* | *---* |
| P.13 exclusion of any potentially affected stakeholders, in particular marginalized groups and excluded individuals (including persons with disabilities), from fully participating in decisions that may affect them? | No |
| P.14 grievances or objections from potentially affected stakeholders? | No |
| P.15 risks of retaliation or reprisals against stakeholders who express concerns or grievances, or who seek to participate in or to obtain information on the project? | No |
| **Project-Level Standards** |  |
| **Standard 1: Biodiversity Conservation and Sustainable** [**Natural**](#SustNatResManGlossary) **Resource Management** |  |
| *Would the project potentially involve or lead to:* | --- |
| 1.1 adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?  *For example, through habitat loss, conversion or degradation, fragmentation, hydrological changes* | No |
| 1.2 activities within or adjacent to critical habitats and/or environmentally sensitive areas, including (but not limited to) legally protected areas (e.g. nature reserve, national park), areas proposed for protection, or recognized as such by authoritative sources and/or indigenous peoples or local communities? | No |
| 1.3 changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods? (Note: if restrictions and/or limitations of access to lands would apply, refer to Standard 5) | Yes |
| 1.4 risks to endangered species (e.g. reduction, encroachment on habitat)? | No |
| 1.5 exacerbation of informal wildlife trade? | No |
| 1.6 introduction of invasive alien species? | No |
| 1.7 adverse impacts on soils? | No |
| 1.8 harvesting of natural forests, plantation development, or reforestation? | No |
| 1. 9 significant agricultural production? | No |
| 1. 10 animal husbandry or harvesting of fish populations or other aquatic species? | No |
| 1.11 significant extraction, diversion or containment of surface or ground water?  *For example, construction of dams, reservoirs, river basin developments, groundwater extraction* | No |
| 1.12 handling or utilization of genetically modified organisms/living modified organisms?[[14]](#footnote-15) | No |
| 1.13 utilization of genetic resources? (e.g. collection and/or harvesting, commercial development)[[15]](#footnote-16) | No |
| 1.14 adverse transboundary or global environmental concerns? | No |
| **Standard 2: Climate Change and Disaster Risks** |  |
| *Would the potentially involve or lead to:* | --- |
| 2.1 areas subject to hazards such as earthquakes, floods, landslides, severe winds, storm surges, tsunami or volcanic eruptions? | Yes |
| 2.2 outputs and outcomes sensitive or vulnerable to potential impacts of climate change?  *For example, through increased precipitation, drought, temperature, salinity, extreme events* | Yes |
| 2.3 direct or indirect increases in [vulnerability to climate change](#CCVulnerabilityGlossary) impacts or disasters now or in the future (also known as maladaptive practices)?  *For example, changes to land use planning may encourage further development of floodplains, potentially increasing the population’s vulnerability to climate change, specifically flooding* | No |
| 2.4 increases of greenhouse gas emissions, black carbon emissions or other drivers of climate change? | No |
| **Standard 3: Community Health, Safety and Security** |  |
| *Would the potentially involve or lead to:* | *---* |
| 3.1 construction and/or infrastructure development (e.g. roads, buildings, dams)? (Note: the GEF does not finance projects that would involve the construction or rehabilitation of large or complex dams) | No |
| 3.2 air pollution, noise, vibration, traffic, injuries, physical hazards, poor surface water quality due to runoff, erosion, sanitation? | No |
| 3.3 harm or losses due to failure of structural elements of the project (e.g. collapse of buildings or infrastructure)? | No |
| 3.4 risks of water-borne or other vector-borne diseases (e.g. temporary breeding habitats), communicable and noncommunicable diseases, nutritional disorders, mental health? | No |
| 3.5 transport, storage, and use and/or disposal of hazardous or dangerous materials (e.g. explosives, fuel and other chemicals during construction and operation)? | No |
| 3.6 adverse impacts on ecosystems and ecosystem services relevant to communities’ health (e.g. food, surface water purification, natural buffers from flooding)? | No |
| 3.7 influx of project workers to project areas? | No |
| 3.8 engagement of security personnel to protect facilities and property, or to support project activities? | No |
| **Standard 4: Cultural Heritage** |  |
| *Would the project potentially involve or lead to:* | --- |
| 4.1 activities adjacent to or within a Cultural Heritage site? | No |
| 4.2 significant excavations, demolitions, movement of earth, flooding or other environmental changes? | No |
| 4.3 adverse impacts to sites, structures, or objects with historical, cultural, artistic, traditional or religious values or intangible forms of culture (e.g. knowledge, innovations, practices)? (Note: projects intended to protect and conserve Cultural Heritage may also have inadvertent adverse impacts) | No |
| 4.4 alterations to landscapes and natural features with cultural significance? | No |
| 4.5 utilization of tangible and/or intangible forms (e.g. practices, traditional knowledge) of Cultural Heritage for commercial or other purposes? | No |
| **Standard 5: Displacement and Resettlement** |  |
| *Would the project potentially involve or lead to:* | *---* |
| 5.1 temporary or permanent and full or partial physical displacement (including people without legally recognizable claims to land)? | No |
| 5.2 economic displacement (e.g. loss of assets or access to resources due to land acquisition or access restrictions – even in the absence of physical relocation)? | No |
| 5.3 risk of forced evictions?[[16]](#footnote-17) | No |
| 5.4 impacts on or changes to land tenure arrangements and/or community based property rights/customary rights to land, territories and/or resources? | No |
| **Standard 6: Indigenous Peoples** |  |
| *Would the project potentially involve or lead to:* | *---* |
| 6.1 areas where indigenous peoples are present (including project area of influence)? | No |
| 6.2 activities located on lands and territories claimed by indigenous peoples? | No |
| 6.3 impacts (positive or negative) to the human rights, lands, natural resources, territories, and traditional livelihoods of indigenous peoples (regardless of whether indigenous peoples possess the legal titles to such areas, whether the project is located within or outside of the lands and territories inhabited by the affected peoples, or whether the indigenous peoples are recognized as indigenous peoples by the country in question)?  *If the answer to screening question 6.3 is “yes”, then the potential risk impacts are considered significant and the project would be categorized as either Substantial Risk or High Risk* | No |
| 6.4 the absence of culturally appropriate consultations carried out with the objective of achieving FPIC on matters that may affect the rights and interests, lands, resources, territories and traditional livelihoods of the indigenous peoples concerned? | No |
| 6.5 the utilization and/or commercial development of natural resources on lands and territories claimed by indigenous peoples? | No |
| 6.6 forced eviction or the whole or partial physical or economic displacement of indigenous peoples, including through access restrictions to lands, territories, and resources?  *Consider, and where appropriate ensure, consistency with the answers under Standard 5 above.* | No |
| 6.7 adverse impacts on the development priorities of indigenous peoples as defined by them? | No |
| 6.8 risks to the physical and cultural survival of indigenous peoples? | No |
| 6.9 impacts on the Cultural Heritage of indigenous peoples, including through the commercialization or use of their traditional knowledge and practices?  *Consider, and where appropriate ensure, consistency with the answers under Standard 4 above.* | No |
| **Standard 7: Labour and Working Conditions** |  |
| *Would the project potentially involve or lead to: (note: applies to project and contractor workers)* | --- |
| 7.1 working conditions that do not meet national labour laws and international commitments? | No |
| 7.2 working conditions that may deny freedom of association and collective bargaining? | No |
| 7.3 use of child labour? | No |
| 7.4 use of forced labour? | No |
| 7.5 discriminatory working conditions and/or lack of equal opportunity? | No |
| 7.6 occupational health and safety risks due to physical, chemical, biological and psychosocial hazards (including violence and harassment) throughout the project life-cycle? | No |
| **Standard 8: Pollution Prevention and Resource Efficiency** |  |
| *Would the project potentially involve or lead to:* | *---* |
| 8.1 the release of pollutants to the environment due to routine or non-routine circumstances with the potential for adverse local, regional, and/or [transboundary impacts](#TransboundaryImpactsGlossary)? | No |
| 8.2 the generation of waste (both hazardous and non-hazardous)? | No |
| 8.3 the manufacture, trade, release, and/or use of hazardous materials and/or chemicals? | No |
| 8.4 the use of chemicals or materials subject to international bans or phase-outs?  *For example, DDT, PCBs and other chemicals listed in international conventions such as the* [*Montreal Protocol*](http://ozone.unep.org/montreal-protocol-substances-deplete-ozone-layer/32506)*,* [*Minamata Convention*](http://www.mercuryconvention.org/)*,* [*Basel Convention*](http://www.basel.int/)*,* [*Rotterdam Convention*](http://www.pic.int/)*,* [*Stockholm Convention*](http://chm.pops.int/) | No |
| 8.5 the application of pesticides that may have a negative effect on the environment or human health? | No |
| 8.6 significant consumption of raw materials, energy, and/or water? | No |

**Annex 3. Risk Analysis**

**OFFLINE PROJECT RISK LOG**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **#** | **Description** | **Risk Category** | **Impact &**  **Probability** | **Risk Treatment / Management Measures** | **Risk Owner** |
| 1 | Lack of political will to effectively contribute to the development and implementation of the climate change related policies in Serbia | Political | The adoption of the envisaged policy documents will be significantly delayed or cancelled entirely  L = 2  I = 4  Risk level: Low | The Project team will regularly involve decision makers in all activities.  At each project meetings, politicians should participate. Politicians should participate during some of the meetings visiting the partner municipalities. The Project will tailor some of the capacity building activities to their needs and limited time availability. Also, through awareness raising and communication activities, the local decision makers will be provided an opportunity to promote their engagements and municipal accomplishments. | MoEP / MoAFWM / MoME / LSGs / Project management |
| 2 | Lack of project information sharing with civil sector, academia, media, as well as risk of Governmental elections impacts on the LSGs responsiveness | Political / Operational | Risk of delays in project activities due to potential elections in 2022. Although local elections were held in 2020, there is a possibility of conducting early elections at all levels.  L = 1  I = 3  Risk level: Moderate | The project team will propose that representatives of civil sector, academia and media are familiar with the Project. The risk of administrative changes after elections can be mitigated by obtaining written decisions from the current LSG officials thus committing the potential new LSG to continue with the project. During the period of establishing a new local government (if any), the project team will work with the administrative staff on the planned activities. | Project management |
| 3 | Lack of strategic and planning documents with defined qualified and quantified goals in environmental policy | Political | Delay in adequate environmental measures to appropriately deal with current issues  L = 2  I = 4  Risk level: Low | LSGs should be informed on the positive effects of contemporary and timely adequate environmental policy adoption. They should be also informed on the various support available as well as the advanced steps achieved by comparative municipalities. Gender equality should be also emphasized in the process of developing planning documents. | LSGs / LSGs / Project management |
| 4 | Lack of will / motivation / understanding for local multidisciplinary approach to the concept of sustainable, low-carbon urban development | Political | Local decision-makers in LGUs often fail to see the need to establish a comprehensive approach to planning that takes into account various climate-related factors.  L = 4  I = 3  Risk level: Low | The project team should emphasize the necessity of LSG multidisciplinary approach to sustainable urban development. One of solutions proposed should be the formation of multidisciplinary teams for planning and conducting activities in the field of energy, urban mobility, waste management etc. Team members should be chosen from representatives of local decision makers / city councils, department heads, energy managers, representatives of PUCs, representatives of local institutions, academia, local industry, private sector as well as representatives of citizens. | LSGs / Project management |
| 5 | Insufficient cooperation and communication both internally within LSG and with other municipalities or regional development agencies | Political | Joint projects are mainly based on the construction of regional landfills, regional waterworks or regional wastewater treatment.  L = 2  I = 4  Risk level: Low | The risk can be mitigated by presenting the benefits of cooperation with other LSG departments and/or other municipalities on sustainability issues. The reasoning could include good practise from comparable municipalities, financial savings, political or social gains, good media exposure, attractiveness to domestic and foreign investors, donor funds etc. | LSGs / Project management |
| 6 | The Government or the participating local self-government do not have the financial resources to support the proposed solutions or their effective replication. | Financial | There is less co-financing for the planned pilot projects  L = 2  I = 4  Risk level: Moderate | This risk is mitigated by having several different co-financing sources, including bi- and multilateral donors and the environmental funds managed by local self-governments. A significant share of financing for the planned pilot projects is also expected from the private sector. | MoEP / MoAFWM / MoME / LSGs / Project management |
| 7 | Lack of human resources for project activities among public administration staff | Operational | Lack of human resources (in terms of number of staff and their availability) in chosen municipalities will hamper project implementation.  L = 2  I = 3  Risk level: Moderate | Local decision makers adopt the official decision on the staff in charge of implementing the project and formation of a working group.  Design of activities to take into consideration availability of resources and to avoid over-burdening available staff. | LSGs / Project management |
| 8 | Lack of interest in the development activities among public administrative staff for project activities | Operational | Local staff is not interested in supporting the implementation of the Project and does not deliver the needed information.  L = 4  I = 3  Risk level: Low | Motivate each public official to actively participate in meetings (e.g., let every person speak during meetings). Give them the opportunity to express their ideas and suggestions. Also, the Project team will establish a cooperative relationship with administrative staff and will involve them throughout the implementation activities. | LSGs / Project management |
| 9 | Lack of interest in the implementation of activities defined by the Project. | Operational | LSG did not understand the sustainable goal of the Project and stopped all activities after the completion of the Project.  L = 2  I = 4  Risk level: Low | The project team will work on raising the awareness of local decision makers and staff, establish their active participation in trainings for the tools, knowledge and approaches to be adopted in everyday work of municipal staff. The project team will highlight examples of successful practices, support identification of financing sources and provide information on financial incentives for the implementation of priority measures and interventions. The project team will foster exchange of information between LSGs in order to stimulate knowledge sharing and institutionalization. | LSGs / Project management |
| 10 | Lack of specific knowledge in municipal administration staff | Operational | Municipal staff does not possess the specific knowledge to engage in sustainable urban development and planning of low carbon and resilience measures.  L = 4  I = 2  Risk level: Low | The capacity building program will be developed based on the assessment of municipalities. Depending on the performance of municipalities in different areas, the topics for capacity building and transfer of specific knowledge will be defined. | LSGs / Project management |
| 11 | Long process for decision adoption | Political / Operational | For the official adoption of decisions, it is necessary to wait for the meetings of the municipal council or municipal assembly, which are held in a period of several weeks to several months.  L = 4  I = 3  Risk level: Low | The project team, in cooperation with the local administration, will timely prepare all decisions that need to be officially adopted. The project team will agree with local decision makers that decisions that are not crucial to the project become valid with the signature of the mayor. | LSGs / Project management |
| 12 | Low visibility of project activities | Operational | PR service of LSG does not monitor project activities.  L = 4  I = 2  Risk level: Low | The project team will regularly report on activities through the program website and provide information to the local PR service to continuously report about the project activities in the local media, internet web page or social networks. | Project management |
| 13 | No proposals of decent quality and amount are received | Operational | There will be no pilot project ideas to be supported  L = 1  I = 4  Risk level: Low | This risk will be mitigated by careful preparation and design of the call for proposals. The experiences and results from prior CSUD Challenge project indicate that by good preparation and attractive marketing, this risk can be effectively addressed | Project management |
| 14 | Due to technical failure of the equipment and/or software used, the trust of the key stakeholders and investors is lost | Other (technology risk) | The confidence of the key stakeholders on the proposed measures is lost  L = 2  I = 3  Risk level: Low | Adequate due diligence, regular maintenance and, when applicable, pre-testing of the proposed solutions. The acceleration phase will also serve to prevent failures and de-risk investments by ensuring that appropriate TA for feasibility is provided prior to decision on co-financing innovative solutions. | Project management |
| 16 | Continuing COVID-19 pandemic will prevent some project activities from being implemented | Social | The targeted project results will not be achieved and the stakeholders cannot be engaged at the level required.  L = 2  I = 4  Risk level: Moderate | Planning and developing alternative ways or introducing required precautionary measures for allowing the implementation of critical project activities despite of COVID-19 restrictions. For instance, all required project meetings, workshops and training events can also be organized online. | Project management |

**Annex 5. Steering Committee Terms of Reference and TORs of key management positions**

**Steering Committee**

**Duties and responsibilities:**

The Steering Committee is the main body to supervise the project implementation in accordance with UNDP rules and regulations and referring to the specific objectives and the outcomes of the project with their agreed performance indicators.

The main functions of the Board are:

General monitoring of project progress in meeting its objectives and outcomes and ensuring that they continue to be in line with national development objectives;

To provide strategic leadership and serve as a coordination mechanism for various partners involved;

Facilitating co-operation between the different Government entities, whose inputs are required for successful implementation of the project, ensuring access to required information and resolving eventual conflict situations faced during project implementation when trying to meet its outcomes and stated targets;

Supporting the elaboration, processing and adoption of the required institutional, legal and regulatory changes to support the project objectives and overcoming of related barriers;

Facilitating and supporting other measures to mitigate the identified risks to project success;

Approving annual work plans and progress reports, the first plan being prepared at the outset of project implementation;

Approving project management arrangements; and

Approving any amendments to be made in the project strategy that may arise due to changing circumstances, after careful analysis and discussion of the ways to solve problems.

Steering Committee structure and reimbursement of costs:

Steering Committee will be comprised of the representatives of the Swiss Development Cooperation and the UNDP. The final list of the SC members will be completed at the outset of project operations and presented in the Inception Report. New members into the SC or participants into the Committee meetings during the project implementation can be invited at the decision of the Board, by ensuring, however, that the Board will remain sufficiently lean to facilitate its effective operation.

The costs of the Board’s work shall be considered as the voluntary in-kind contribution to the project and shall not be paid separately by the project. They are also not eligible to receive any monetary compensation from their work as experts or advisers to the project.

**Meetings:** It is suggested that the Board will have regular meetings, twice a year, or more often if required. A tentative schedule of the Board meetings will be agreed as a part of the annual work plans, and all representatives of the Board should be notified again in writing 14 days prior to the agreed date of the meeting. The meeting will be organized provided that the executing agency, UNDP and at least 2/3 of the other members of the Board can confirm their attendance. The project manager shall distribute all materials associated with the meeting agenda at least 5 working days in prior to the meeting.

**Project Implementation Unit**

Main tasks and responsibilities:

The Project Implementation Unit (PIU) will be established by UNDP. The PIU will be in charge for managing the overall project implementation, consolidation of work plans and project papers, preparation of quarterly progress reports, reporting to the project supervisory bodies, and supervising the work of the project experts and other project staff. The PIU will include Project Manager (PM), 2 project coordinators and Project Assistant (PA). The PM will also closely coordinate project activities with relevant government institutions and hold regular consultations with other project stakeholders and partners, including UNDP’s relevant projects. Under the direct supervision of the PM, the Project Assistant will be responsible for administrative and financial issues and will get support from the existing UNDP administration.

Expected results and related milestones

For the duration of the project, the expected results and related milestones of the PIU will be consistent with those of the Project Results Framework.

Terms of reference for the Project Manager, Project Assistant are provided below, along with brief descriptions of tasks for the CCA Technical Advisor and the Portfolio Advisor. Detailed terms of reference for the latter two will be developed prior to the inception workshop.

Post Title: Project Coordinator (2 positions)

Project: Climate Action in line with the Green Agenda

Reporting to: Programme Analyst

Duty Station: Belgrade

Duration: One year (with possibility of extension)

SC Level: SB3 - Max

**Background**

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| a. **Purpose**  To coordinate the implementation and administration of the climate change projects under the overall guidance of the Programme Analyst.  b. **Objective**  To support results oriented, effective, efficient and accountable implementation of the project activities and achievement of project results |

**Duties and Responsibilities**

* Measurable outputs of the work assignment

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| Overall responsibilities:  The Project Manager is responsible for the overall implementation of the project activities, in accordance with prescribed rules and procedures and has the responsibility for the management of the project components, outputs and activities, ensuring the synergies between the respective activities.  **Efficient project implementation and reporting**   * Be responsible and accountable for the overall management and administration of the resilience projects, and the timely and quality delivery of its activities; * Develop and manage in coordination with partners a Monitoring and Evaluation Plan for the defined Projects * Prepare project Work Plans and Project reports (Progress reports including the Final report) and their presentation to the Steering Committee for review/approval. * Monitoring of the project to ensure that it is in accordance with the timetable set out in the Project Document and preparation of regular updates and reports to Steering Committees on project’ progress, implementing issues, emerging risks/problems and proposals for necessary remedial actions. * Preparation of briefs, talking points and relevant materials. * Draft terms of reference for consultants and project personnel * Manage and supervise respective project teams * Assume responsibilities in line with the Internal Control Framework * Participate in recruitment and evaluation panels   **Networking with partners and beneficiaries, support to resource mobilization**   * Maintain good cooperation and coordination between national counterparts, project partners and other stakeholders. * Maintain regular contacts with beneficiaries to ensure relevance and quality of project’ outputs. * Provide substantive advice on key issues within the scope of respective Output * Establish record with contacts, pursue networking and information sharing and to follow up on partnership related issues * Coordinate meetings, training sessions, conferences and public events * Prepare official correspondence for national and international partners * Support the resource mobilization   **Knowledge management**   * Identify, collect and analyze policy-related, relevant information and data * Codify and provide best practices and lessons learnt, particularly linked to the areas of capacity development and national (economic, social and human) development * Support activities related to assessing capacities and needs of government organizations and partners, in close collaboration with national counterparts at both central and local level * Facilitate team’s learning and knowledge sharing * Participate in UN Theme Group and other sectoral groups’ work, as required * Performing other duties as required. |

* Performance Indicators for evaluation of results

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| * Detailed annual work plans, prepared. * Monitoring and Evaluation Plan prepared * Efficient, cost effective and timely implementation of the project outputs ensured. * Project data and updates for Project files produced * Budget revisions (when needed) for resilience projects drafted, funds availability monitored and the effectiveness in payment process ensured. * Final, annual and quarterly reports produced for the project. |

**Skills and Competencies**

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| * Good application of Results-Based Management * Good communication, coordination and facilitation skills * Consistently ensures timeliness and quality of Project work. * Establishes lasting relationships and substantive dialogue with clients. * Treats all people fairly without favourism * Strong oral and written communication skills. * Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability. * Demonstrates integrity by modeling ethical standards. |

**Qualifications and Experience**

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| *Education:*  Minimum Bachelors in natural, environmental or technical sciences or equivalent in a relevant field; Master degree is an asset.  *Work Experience:*   * Minimum 5 years of relevant professional experience in a management/coordination position, preferably in international/multilateral development context * Experience in managing teams and complex processes that included extensive communication, coordination and facilitation requirements * Experience in partnership building at international, national, regional and local level; * The following specific experiences will be considered as an asset: experience working in the UN system or other international organizations; experience in managing projects in the field of climate change.   *Knowledge*   * Excellent understanding of Serbia's socio-economic situation; * Knowledge in the use of computers and office software packages and handling of web based management systems.   *Personal qualifications*   * Excellent writing/reporting and presentation skills * Excellent interpersonal, networking and team building skills;   *Language:* Excellent knowledge of written and spoken Serbian and English. |

Post Title: Project Assistant

Project: Climate Action in line with the Green Agenda

Reporting to: Project Manager

Duty Station: Belgrade

Duration: 1 year (with possibility of extension)

SC Level: SB2- max

**Background**

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| a. **Purpose**  To provide support services for the project Climate Action in line with the Green Agenda.  b. **Objective**  To ensure results oriented, effective, efficient and accountable implementation of the project activities and achievement of project results. |

**Duties and Responsibilities**

* Measurable outputs of the work assignment

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| Under the guidance of the Project Manager, the Project Assistant will:  **Provide support for project implementation**   * Support the day to day implementation of project activities * Provide inputs for development of project monitoring and evaluation framework * Assist in preparing work plans and project reports * Identify and collect policy-related and other relevant information, documents and data, compile and analyse data for further use in project management * Support organization and coordination of meetings, training sessions, workshops, conferences and project events and prepare reports and meeting minutes, as required * Draft terms of reference for consultants and contractors, as required * Prepare briefs, talking points and relevant communication materials * Draft correspondence on project issues, as required * Establish and maintain project filing system, incoming and outgoing correspondence and maintain calendar of events * Follow up with (sub)contractors to ensure time delivery of outputs * Maintain cooperation and communication with project’s partners and beneficiaries on the implementation of the agreed activities, especially for the events, trainings, workshops, etc. * Facilitate knowledge building and knowledge sharing within the project team * Participate in recruitment and evaluation panels, as required   **Provide support for project administration:**   * Support in managing project finances, process invoices and ensure tax exemption for project related goods and services * Support procurement processes, provide inputs for request for quotations/proposals, prepare tenders and small procurements (canvassing), provide inputs for UNDP procurement plan * Support recruitment of short-term consultants in line with rules and regulations * Assist project teams, experts and consultants on travel and logistics matters * Perform other tasks ad duties as assigned by the supervisor * Present information for audit of NEX projects. * Ensure full compliance of activities with UNDP rules, regulations, and policies |

* Performance Indicators for evaluation of results

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| * Project documentation timely prepared * Project, finance and personnel records/files regularly updated and maintained; * Effective support in travel and logistics provided to team members and consultants * Assistance in preparation of project’s annual and quarterly reports provided, data compiled; * Efficient accounting and administrative support provided; * Project related correspondence prepared; * Efficient support to organization of meetings provided, information compiled and minutes of meetings taken and distributed; |

**Skills and Competencies**

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| * Good organizational and time management skills. * Displays cultural, gender, religion, race, nationality and age sensitivity and adaptability. * Demonstrates integrity by modeling ethical standards. * Focuses on impact and result for the client and responds positively to critical feedback. * Consistently approaches work with energy and a positive, constructive attitude. * Builds strong relationships with clients and external actors. * Excellent information technology skills, including word processing, database applications, presentation software, and internet. |

**Qualifications and Experience**

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| *Education:*  Minimum Secondary Education; preferably with specialization in business administration.  *Experience:*   * At least 2 years of experience in administrative office work. Previous experience in governmental, international or non-governmental settings would be an asset; * Experience in organizational activities; evidence of ability to express ideas clearly; to work independently and in teams; to demonstrate a sense of self-assuredness combined with cultural and gender sensitivities; * Experience in the usage of computers and office software packages (MS Word, Excel, etc) and knowledge of spreadsheet and database packages, experience in handling of web based management systems.   *Language Requirements:*  Excellent knowledge of written and spoken Serbian and English. |

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| Project Manager  (SB4)\* | Responsibilities include (but are not limited to):   * Facilitate policy dialogue at national and sub-national levels for CC integration at all levels. * Facilitate dialogue with development partners in Serbia in aligning the national climate change/environment portfolio, the project outputs and results, with the SDGs, UN Development Partnership Framework for Serbia, NDCs, etc. * Provide policy advice on key issues in the areas of relevance to the project and other national policies and actions, as well as global initiatives/processes of relevance (including the UNFCCC processes, Sendai Framework, SDGs, etc). * Provide policy analysis and technical input to align the project with national climate change and environment related policies and initiatives supported by UNDP, UN Agencies and other development partners in Serbia. * Codify and provide best practices and lesson learnt, particularly linked to capacity development and national (economic, social and human) development, as it relates to climate change, climate resilience and the national environment policy. * Assist in engaging the government in constructive dialogue on the achievement of project outcomes beyond the specific outputs of the project. * Assume overall responsibility for meeting financial delivery and reporting targets set out in the project work plan and the logframe. * Support the synergy between project activities and strengthening of mandate and mission of national climate change & environment decision making structures, identifying key relevant partners (ministries, research institutions, private sector, NGOs, technical and financial partners, etc.) and providing strategic inputs to the mandate. * Contribute to the long-term capacity development in the area of climate change and environment, based on project activities and results, and in line with national priorities and development context in Serbia, including providing substantive input to training methodologies and strategies, screening tools and guidance on national/sectoral integration. |

*\*Full TORs and the contractual modality will be developed prior to the project inception workshop.*

1. [↑](#footnote-ref-2)
2. Based on World Bank data [↑](#footnote-ref-3)
3. Source: Fiscal Council report “Investments in Environmental Protection: A Social and Fiscal Priority”, 2018 [↑](#footnote-ref-4)
4. https://strategicplan.undp.org/ [↑](#footnote-ref-5)
5. https://www.rs.undp.org/content/dam/serbia/docs/Operations/Legal%20Framework/undp\_rs%20CPD%20For%20Serbia%202021%202025.pdf [↑](#footnote-ref-6)
6. The Challenge Call results are available at: <http://cleanairresponse.undp.org.rs/> [↑](#footnote-ref-7)
7. *Please see the* [*Guideline “Embedding Digital in Project Design*](https://rebrand.ly/DbDProjectGuideEN)*”.* [↑](#footnote-ref-8)
8. UNDP publishes its project information (indicators, baselines, targets and results) to meet the International Aid Transparency Initiative (IATI) standards. Make sure that indicators are S.M.A.R.T. (Specific, Measurable, Attainable, Relevant and Time-bound), provide accurate baselines and targets underpinned by reliable evidence and data, and avoid acronyms so that external audience clearly understand the results of the project. [↑](#footnote-ref-9)
9. Optional, if needed [↑](#footnote-ref-10)
10. The Project Board in this ProDoc equals the function of the Steering Committee, as per the UNDP ProDoc nomenclature. [↑](#footnote-ref-11)
11. To be used where UNDP is the Implementing Partner [↑](#footnote-ref-12)
12. To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner [↑](#footnote-ref-13)
13. Prohibited grounds of discrimination include race, ethnicity, sex, age, language, disability, sexual orientation, gender identity, religion, political or other opinion, national or social or geographical origin, property, birth or other status including as an indigenous person or as a member of a minority. References to “women and men” or similar is understood to include women and men, boys and girls, and other groups discriminated against based on their gender identities, such as transgender and transsexual people. [↑](#footnote-ref-14)
14. See the [Convention on Biological Diversity](https://www.cbd.int/) and its [Cartagena Protocol on Biosafety](https://bch.cbd.int/protocol). [↑](#footnote-ref-15)
15. See the [Convention on Biological Diversity](https://www.cbd.int/) and its [Nagoya Protocol](https://www.cbd.int/abs/) on access and benefit sharing from use of genetic resources. [↑](#footnote-ref-16)
16. Forced eviction is defined here as the permanent or temporary removal against their will of individuals, families or communities from the homes and/or land which they occupy, without the provision of, and access to, appropriate forms of legal or other protection. Forced evictions constitute gross violations of a range of internationally recognized human rights. [↑](#footnote-ref-17)